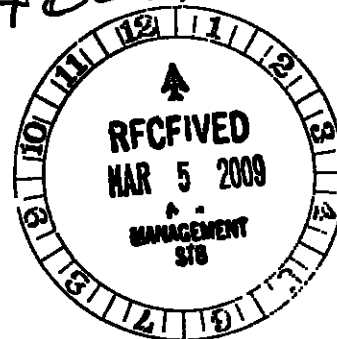


ASSOCIATION
OF AMERICAN
RAILROADS

224627



March 5, 2009

John T. Gray
Senior Vice President - Policy & Economics

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

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Dear Ms. Quinlan:

This submission is the AAR forecast of the second quarter 2009 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2009-2) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are the All-Inclusive Index (initiated in the second quarter 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the second quarter 2009 results on the fourth quarter 2007 base, and shows the percentage changes from the previous quarter.

	<u>2009Q1</u>	<u>2009Q2</u>	<u>% Change</u>
All-Inclusive Index	100.8	94.9	-5.9
Preliminary RCAF	1.008	0.949	-5.9
Forecast Error Adjustment	0.014	-0.099	
RCAF (Unadjusted)	1.022	0.850	-16.8
Productivity Adjustment Factor	2.1878	2.1944	
RCAF (Adjusted)	0.467	0.387	-17.1
PAF-5	2.3120	2.3189	
RCAF-5	0.442	0.367	-17.0

Page 2

March 5, 2009

In its October 3, 1996 decision in Ex Parte No 290 (Sub-No 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity adjusted RCAF values as if the agency had always used a 5-year rolling average to calculate the productivity adjustment). In response to a request by STB staff, the AAR is including a calculation of the RCAF-5 in its quarterly RCAF filing. The AAR and its members, however, do not believe the publication of a third RCAF index is required or permitted by the applicable statute (49 U.S.C. § 10708) and do not endorse its publication.

Two copies of the quarterly non-proprietary workpapers underlying this submission are filed herewith, in accordance with the ICC's order in Ex Parte No 290 (Sub-No 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A third copy of the working papers has been delivered to Paul Aguiar in the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", with a long horizontal flourish extending to the right.

John T. Gray

Attachments

**Second Quarter 2009
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2009-2)

**Quarterly Rail Cost Adjustment Factor
Surface Transportation Board**

**Policy and Economics Department
Association of American Railroads**

March 5, 2009

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the second quarter 2009.

Index Weights

In the Ex Parte No. 290 (Sub-No. 2) final rules, issued in April 1981, the Interstate Commerce Commission mandated that the weights of each major cost component be updated annually. These "external" weights are calculated using data from Schedules 410 and 210 of the R-1 annual report filed with the Surface Transportation Board by the Class I railroads. The weights are typically updated with the fourth quarter projection.

The 2007 (current) and 2006 (previous) weights are shown below. The previous (2006) weights were used for the fourth quarter of 2007 through the third quarter of 2008. Beginning with the fourth quarter of 2008, the 2007 weights are used. The weight for Fuel continued to go up as expected, increasing from 19.2 to 20.3 percent. Labor had the biggest change (possibly related to the downturn in traffic), decreasing 1.7 percentage points to 32.8 percent. All other changes were by less than 1 percentage point.

RCAF Weights		
	Previous 2006	Current 2007
Labor	34.5 %	32.8 %
Fuel	19.2	20.3
Materials & Supplies	5.0	5.0
Equipment Rents	7.8	7.2
Depreciation	10.6	11.0
Interest	2.7	2.7
Other	20.2	21.0

Reweighting of the index is accomplished by calculating both the current quarter (normally the fourth) and prior (normally the third) quarter indexes with the new weights. The relative change between the two quarters is then multiplied times the prior quarter (usually the third) *linked* index. Use of this method ensures that the weight change, by itself, does not cause a change in the level of the All-Inclusive Index.

Internal weights in the labor and equipment rents components are updated at the same time as the external weights. When these weights are changed, they are also linked using the procedure described above in order to eliminate the effect of the change in weighting.

All-Inclusive Index Second Quarter 2009

The components and values of the current and previous All-Inclusive Indexes are shown below
Details of the construction of each component of the index are contained in the Appendices

	2007 Weights	Forecast		Percent Change
		Previous 2009Q1	Current 2009Q2	
1 Labor	32.8%	337.0	338.3	0.4 %
2 Fuel	20.3%	237.3	180.0	-24.1
3 M&S	5.0%	258.8	249.0	-3.8
4 Equipment Rents	7.2%	201.0	197.0	-2.0
5 Depreciation	11.0%	211.6	199.9	-5.5
6 Interest	2.7%	88.0	88.0	0.0
7 Other	21.0%	207.0	199.7	-3.5
8. Weighted Average				
a. 1980 = 100		255.2	240.4	
b. 1980 = 100 (linked)		247.8	233.4 ¹	
c. 4Q07 = 100		100.8	94.9 ²	-5.9

¹ To calculate the 1980 = 100 Linked Index

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= 240.4 \quad \text{divided by} \quad 255.2 \quad \text{times} \quad 247.8 \\ &= 233.4 \end{aligned}$$

² To calculate the 4Q07 = 100 index

$$\begin{aligned} \text{Index}_{4Q07} &= (\text{Current Linked Index} / 4Q07 \text{ Linking Factor}) * 100 \\ &= 233.4 \quad \text{divided by} \quad 245.9 \quad \text{times} \quad 100 \\ &= 94.9 \end{aligned}$$

Indexes based on other periods

4Q02 based index	= 233.4 / 192.1 x 100 = 121.5
4Q97 based index	= 233.4 / 173.2 x 100 = 134.8
4Q92 based index	= 233.4 / 156.9 x 100 = 148.8
4Q87 based index	= 233.4 / 132.2 x 100 = 176.6

Forecast vs. Actual All-Inclusive Index Fourth Quarter 2008

Because of data availability, the forecast error adjustment has a two-quarter lag from each filing. As shown below, the fourth quarter actual index of 105.6 is 9.9 index points below the forecast value of 115.5. Therefore, the forecast error adjustment for second quarter 2009 is -9.9 index points.

	2007 Weights	Fourth Quarter 2008		Amt Difference
		Forecast	Actual	
1 Labor	32.8%	330.6	330.6	
2 Fuel	20.3%	423.6	319.4	
3 M&S	5.0%	252.2	252.2	
4 Equipment Rents ¹	7.2%	207.4	198.7	
5 Depreciation	11.0%	204.8	203.1	
6 Interest	2.7%	88.0	88.0	
7 Other	21.0%	217.8	202.8	
8 Weighted Average				
a 1980 = 100		292.6	267.5	
b 1980 = 100 (linked)		284.1	259.7 ²	
c 4Q07 = 100 ³		115.5	105.6	-9.9

Forecast error → -9.9 index points

¹	2007 Weights	Fourth Quarter 2008	
		Forecast	Actual
Car-Hire	43.2%	181.7	181.6
Lease Rentals	56.8%	217.8	202.8
Weighted Average		202.2	193.6
Weighted Average (linked)		207.4	198.7

² Linked actual index = (actual index / previous actual index) x previous linked actual index

$$259.7 = 267.5 / 296.4 \times 287.8$$

Note The standard linking procedure has been used to eliminate any changes to indexes that would be caused by updating weights. The Q3 unlinked weighted averages for the All-Inclusive Indexes (forecast and actual) and for Equipment Rents (forecast and actual) were recalculated using the new (2007) weights.

³ The 4Q07 based indexes are 1980 based indexes divided by the 4Q07 linking factor (245.9/100). Other linking factors are 4Q02 = 192.1, 4Q97 = 173.2, 4Q92 = 156.9, and 4Q87 = 132.2.

Productivity

On February 5, 2009, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No 4) which added the year 2007 to the Productivity Adjustment Factor (PAF) and deleted the year 2002. Assuming the decision remains effective, this creates a geometric average annual productivity change for 2003 through 2007 of 1.2 percent – which is the same as the 2002 through 2006 average of 1.2 percent. The components of this average annual value are shown on the following table in ratio format – therefore, 1.012 is the same as an increase of 1.2 percent. Productivity changes are calculated by dividing the output index by the input index. The average annual rate is calculated by multiplying each of the five productivity changes together and taking the result to the one fifth power. The quarterly productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate which are the fourth root of the average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the 5-year productivity trend.

Comparison of Output, Input, & Productivity

2003 - 2007

Year	Output Index (1)	Input Index (2)	Productivity ¹ Changes (3)
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
2005	1.021	0.956	1.068
2006	1.018	1.024	0.994
2007	1.000	0.996	1.004
Average			1.012
Previous Average (2002-2006)			1.012

¹ The values shown in Column 3 are based on full float calculations and may not exactly match numbers calculated using the rounded numbers displayed in Columns 1 and 2.

Calculation of PAF and PAF-5

For 2003-2007, use fourth root of avg productivity change = 1.0030

For 2002-2006, use fourth root of avg productivity change = 1.0030

Quarter	Year	PAF	PAF-5	
Q1	2009	2.1878	2.3120	2002-2006
Q2	2009	2.1944	2.3189	
Q3	2009	2.2010	2.3259	2003-2007
Q4	2009	2.2076	2.3329	
Q1	2010	2.2142	2.3399	

Rail Cost Adjustment Factor

Second Quarter 2009

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below. Note that the All-Inclusive Index is on a 2007Q4=100 basis.

	Previous 2009Q1	Current 2009Q2	Percent Change
All-Inclusive Index ¹	100.8	94.9	-5.9
Preliminary RCAF ²	1.008	0.949	-5.9
Forecast Error Adjustment ³	<u>0.014</u>	<u>-0.099</u>	
RCAF (Unadjusted) ⁴	1.022	0.850	-16.8
Productivity Adjustment Factor ⁵	2.1878	2.1944	
RCAF (Adjusted) ⁶	0.467	0.387	-17.1
PAF-5 ⁷	2.3120	2.3189	
RCAF-5 ⁸	0.442	0.367	-17.0

¹ See All-Inclusive Index on page 3.

² All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0).

³ The current figure is from Forecast vs. Actual All-Inclusive Index in this filing (page 4). The previous quarter figure is shown in a similar section of the previous quarter's filing.

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

⁶ RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

⁷ See Productivity on page 5.

⁸ RCAF (Unadjusted) divided by the PAF-5.

Appendixes

Labor

Second Quarter 2009

The second quarter 2009 Labor Index is forecast to increase 0.4 percent. Higher performance bonus payments and an employee stock program caused the increase.

Wage Index

The Wage Index portion of the Labor Index increased 0.3 percent from the previous quarter.

Wage Increases: There are no wage increases scheduled for the second quarter.

Lump Sums: The lump sum rate increased by 11.6 cents. Three performance bonus payments made by two railroads to BLET and some ATDA employees last year were completely amortized and removed from the index. However, this year's performance bonus payments were much higher amounts, causing the increase in the Lump Sum rate. Two of the three contracts contained higher maximum percentages payable for this year – meaning that if performance was unchanged, payment amounts would still be higher. [See Appendix II for common railroad and union abbreviations.]

Back Pay: The back pay rate decreased slightly (0.4 cents) because of the complete amortization and removal of three (relatively small) amounts from last year.

Other: Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. This amount, which is unchanged, is from last year. Last year's amount will be completely amortized by the third (next) quarter filing, and replaced with a new amount.

Supplements Index

An employee stock program caused most of the 0.5 percent increase in Supplements.

Health & Welfare: The Health & Welfare rate was unchanged in the second quarter.

Railroad Retirement: Higher taxable wages caused by the performance bonus payments caused the small increase (0.2%) in the Railroad Retirement hourly rate.

Unemployment Insurance: The unemployment insurance hourly rate was unchanged.

Other: The "Other" category is a reflection of all other fringe benefits, and currently is known to contain employer contributions to employee 401(k) accounts and employer contributions to employee stock plans that are recorded as fringe benefits. The increase of 4.9 cents was caused mostly by an annual employee stock ownership plan employer contribution for one of the major unions of one railroad.

**Labor
Second Quarter 2009**

Labor Index Calculation

As shown in Table A-1 on the next page, the 0.3 percent increase in the Wage Index and the 0.5 percent increase in the Supplements Index had a combined effect of a 0.4 percent increase in the Labor Index. The linked second quarter 2009 index is 338.3.

Labor

Second Quarter 2009

Table A-1 Labor Index

	2009Q1	2009Q2	Change	
			Percent	Amount
Base Wage – Straight Time				
& Pay For Time Not Worked	\$33 412	\$33 412	0 0%	\$0 000
Adjustments.				
Lump Sum	0.194	0 310	59 8%	0 116
Back Pay	0 920	0 916	-0 4%	-0 004
Other	0 079	0 079	0 0%	0 000
Total Wages	<u>34 605</u>	<u>34 717</u>	0 3%	0 112
Health & Welfare Benefits	5 873	5.873	0 0%	0 000
RR Retirement & Medicare	7 044	7 061	0 2%	0 017
Unemployment Insurance	0 208	0 208	0 0%	0 000
Other	0 095	0 144	51 6%	0 049
Total Supplements	<u>\$13 220</u>	<u>\$13.286</u>	0 5%	0 066
Total Labor	\$47 825	\$48 003		
Wage Index¹	296 1	297 1	0 3%	
Supplements Index²	488 5	491.0	0 5%	
Total labor Index, 2007 Weights³	351 3	352 7		
Labor Index (linked)⁴	337.0	338.3	0 4%	

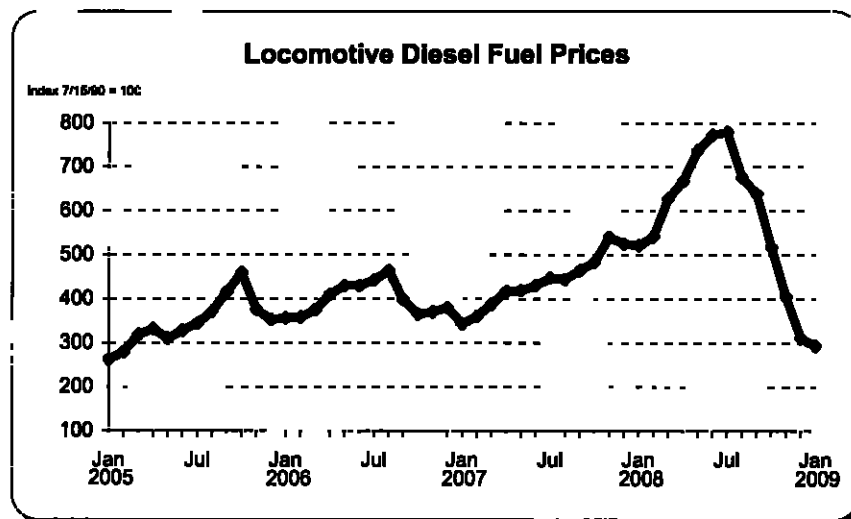
¹ 1980 wage rate	\$11 685	
² 1980 supplements rate	\$2 706	
³ 2007 weights wages, supplements	71 3%	28 7%
⁴ 2009Q2 linked Index = 2009Q1 linked x (2009Q2 / 2009Q1)		
	= 337 0	x 352 7 / 351 3

Fuel Second Quarter 2009

The forecast for fuel is based on (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications

Prices for West Texas Intermediate crude oil*, heating oil**, and locomotive diesel fuel all peaked around early July. Since that time prices for all three have trended downward. The cause of the decline in fuel prices is related to lack of demand, as worldwide economic activity continues to be slow. World oil consumption is expected to decline in 2009 according to the February 2009 edition of the U.S. Energy Information Administration's *Short-Term Energy Outlook*.

January 2009 locomotive diesel fuel prices are at their lowest level since early 2005. Railroads believe prices for April 2009 (Q2) will be 24.1 percent below the forecast for first quarter (which was too high), or 0.6 percent below the average price actually experienced in January.



Forecast Fuel Index	180.0
Change from previous quarter forecast	-24.1%
Change from previous quarter actual	-0.6%

* Diesel fuel used by locomotives is made from refined crude oil, and therefore has some price correlation.

** Heating oil and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends.

Materials & Supplies

Second Quarter 2009

The Materials & Supplies index decreased 3.8 percent from the previous quarter. Decreases in the both the Metal Products and Miscellaneous Products categories caused the decline. Metal Products were especially affected by prices for tie plates and freight car wheels, while ballast and lube oil had significant impact on Miscellaneous Products.

2009Q2 Materials & Supplies Index = 249.0

2009Q1 Materials & Supplies Index = 258.8

Difference	-9.8 basis points
	or
	-3.8 %

Equipment Rents

Second Quarter 2009

The Equipment Rents Index consists of two components – car hire and lease rentals. The methodology used to create these two components and the final Equipment Rents Index are explained below.

Car Hire

The car hire component is indexed using data from the Car Hire Accounting Rate Master (CHARM) file. Car hire rates for the forecast quarter are estimated based on data for the most recent month available. For the first quarter, December 1 of the previous year is used. For the second, third and fourth quarters, March 1, June 1, and September 1 are used, respectively. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

Lease Rentals

The lease rentals portion of the Equipment Rents Index uses the Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF). The Commission adopted this surrogate in its decision served March 13, 1987. The AAR uses six years of historical data to derive its forecast for the PPI-LF. The forecast is used not only for lease rentals, but also for the "Other" component of the All-Inclusive Index. Appendix G discusses the forecast in more detail.

Equipment Rent Index Calculation

The table below calculates the Equipment Rent Index, which decreased 2.0 percent. The Car Hire portion of the Index increased because of higher tank car rates. A 3.5 percent decrease for the PPI-LF (See Appendix G) used as a proxy for changes in Lease Rentals, combined with a 0.4 percent increase for Car Hire, caused the Equipment Rent Index to decrease 2.0 percent.

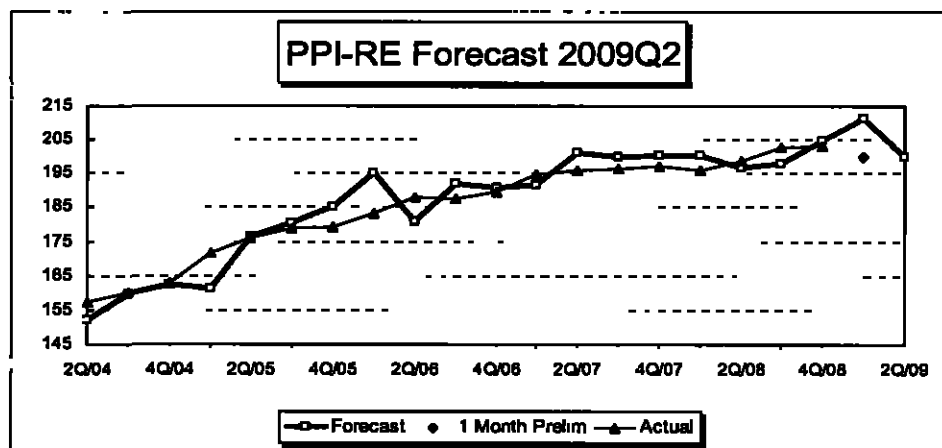
	2007 Weight	2009Q1	2009Q2	Percent Change
Car Hire	43.2%	181.5	182.2	0.4 %
Lease Rentals	56.8%	207.0	199.7	-3.5
Weighted Average		196.0	192.1	-2.0
Weighted Average (Linked)		201.0	197.0	-2.0

Depreciation

Second Quarter 2009

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA (Auto-Regressive Integrated Moving Average) process where a statistical package picks the model that best fits the historical data set (see next page), and that model is then used for the forecast. The historical data set contains 6 years of monthly data (a sample size of 72), where the most recent available data point is the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent period available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix on a 1982=100 basis. The figure forecast by the model reflects monthly PPI-RE figures that declined in November and December, but increased in January.

Forecast of Depreciation Index (1982=100)	180.7
Forecast of Depreciation Index (1980=100)	199.9
Change from previous quarter forecast	-5.5%
Change from actual first month of previous quarter	0.0%
Change from same quarter of prior year (actual)	0.7%



Depreciation

Second Quarter 2009

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model Box-Jenkins
Forecast Model for PPIRE
ARIMA(0,1,0)

Within-Sample Statistics

Sample size 72	Number of parameters 0
Mean 161.8	Standard deviation 16.46
R-square 0.9886	Adjusted R-square 0.9887
Durbin-Watson 1.786	* Ljung-Box(18)=34.34 P=0.9886
Forecast error 1.749	BIC 1.749
MAPE 0.006421	RMSE 1.749
MAD 1.06	

Actual Values for the Most Recent 6 Periods.

Date	Actual
2008-08	181.700
2008-09	182.900
2008-10	188.400
2008-11	182.000
2008-12	180.500
2009-01	180.700

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-02	177.248	180.700	184.152
2009-03	175.819	180.700	185.581
2009-04	174.721	180.700	186.679
2009-05	173.797	180.700	187.603
2009-06	172.982	180.700	188.418
QTR AVG	173.833	180.700	187.567

Interest

Second Quarter 2009

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2008, the Interest Index is based on data for 2007.

Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

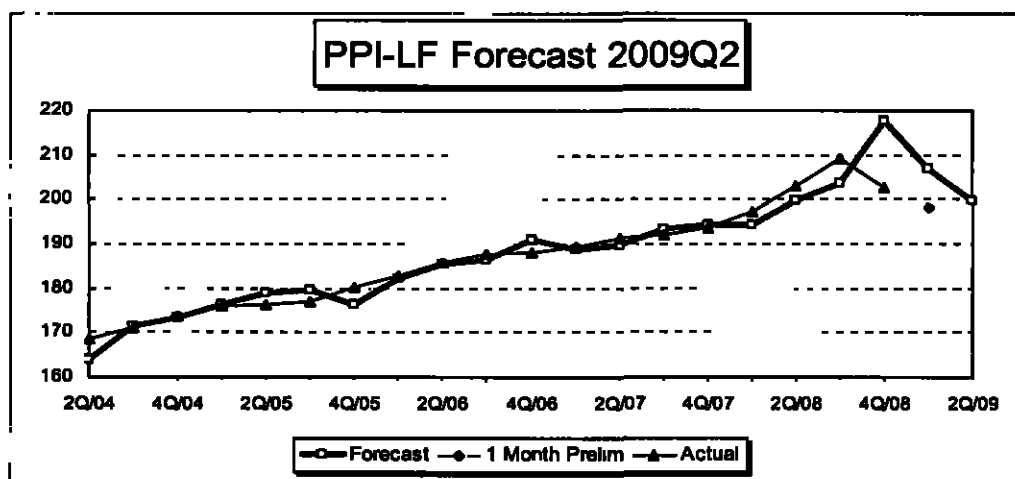
2007	Interest Rate	6.91%
1980	Interest Rate	7.85%
2009Q2	Interest Index	88.0
2009Q1	Interest Index	88.0
	Percent Change	0.0%

Other Expenses Second Quarter 2009

The Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF) is used to index purchased services, casualties and insurance, loss and damage, taxes (other than income and payroll), general and administrative expenses, and lease rentals. These expenses, when grouped together, are usually called "Other" expenses.

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model for the second quarter reflects monthly PPI-LF figures that peaked in August and have decreased every month since.

Forecast of Other Expense Index (1982=100)	178.1
Forecast of Other Expense Index (1980=100)	199.7
Change from previous quarter forecast	-3.5%
Change from actual first month of previous quarter	0.7%
Change from same quarter of prior year (actual)	-1.7%



Other Expenses

Second Quarter 2009

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model Box-Jenkins

Forecast Model for PPILF

ARIMA(1,1,0)*(1,1,0) with log transform

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7147	0.0944	7.5691	1.0000
Δ [12]	-0.7719	0.1250	-6.1744	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 5.089	Standard deviation 0.07547
R-square 0.9979	Adjusted R-square 0.9978
Durbin-Watson 1.687	Ljung-Box(18)=15.75 P=0.3902
Forecast error 0.003501	BIC 0.594
MAPE 0.002316	RMSE 0.6067
MAD 0.3971	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2008-08	186.600
2008-09	186.200
2008-10	184.400
2008-11	180.700
2008-12	177.600
2009-01	176.900

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-04	173.752	177.668	181.672
2009-05	172.991	178.175	183.513
2009-06	172.022	178.401	185.016
QTR AVG	172.922	178.081	183.400

Railroad and Union Abbreviations

Second Quarter 2009

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp Sometimes noted as CC&P)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U S operations)
CP	Canadian Pacific (Also noted as CPR Owns the U S Class I railroad Soo Line)
CSX	CSX Transportation
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a k a Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (Canadian Pacific Railway's western U S operations)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp)

Major Unions Involved with Railroads

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Division of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

Predecessor Unions (Some AAR databases use these old abbreviations.)

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWED	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

Workpapers Sent to STB for 2009 Q2 RCAF

March 5, 2009



- 1 Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Copy of STB's 2/3/09 Productivity decision (4 pages)
3. Summary (of ST and PFTNW Hourly Rates)
- 4 Taxable wages adjustment calculation
- 5 National Contracts spreadsheet, 2 sections (2 and 5 pages)
- 6 National Increase Applicability and U S. 2007 Benchmark spreadsheets
- 7 Wall Street Journal - 3 month Treasury Bill Rate
- 8 2009/Q2 RCAF Lump Sum Amortization (4 pages)
9. 3 pages from labor agreements relating to lump sums
10. 2009/Q2 RCAF Back Pay Amortization (6 pages)
- 11 Health & Welfare worksheet (3 pages)
- 12 Railroad Retirement spreadsheet (5 pages)
- 13 Unemployment Insurance worksheet
- 14 2-page SAS runs for Unemployment Insurance
15. Five pages from EIA's *Short-Term Energy Outlook* for February
- 16 Summary of Materials & Supplies
- 17 Two-page Equipment Rents spreadsheet (Car Hire) plus source data (2 pages)
- 18 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
- 19 5 pages of PPI-LF for Other (and Lease Rentals) incl graph, input/output, BLS source data
- 20 Forecast Error calculation and workpapers (11 pages)

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All Inclusive Index and RCAF

	07 Wts	3Q/08	3Q/08 07 Wts	% Chg	4Q/08	% Chg	1Q/09	% Chg	2Q/09	% Chg	3Q/09	% Chg
Labor	0.328	317.20	317.2	0.0%	330.6	4.2%	337.0	1.9%	338.3	0.4%	0.0	####
Fuel	0.203	472.80	472.8	0.0%	423.6	-10.4%	237.3	-44.0%	180.0	-24.1%	--	--
M&S	0.050	228.30	228.3	0.0%	252.2	10.5%	258.8	2.6%	249.0	-3.8%	--	--
Equip Rents	0.072	199.50	199.5	0.0%	207.4	4.0%	201.0	-3.1%	197.0	-2.0%	0.0	####
Depreciation	0.110	197.90	197.9	0.0%	204.8	3.5%	211.6	3.3%	199.9	-5.5%	--	--
Interest	0.027	90.20	90.2	0.0%	88.0	-2.4%	88.0	0.0%	88.0	0.0%	88.0	0.0%
Other	0.210	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	--	--
Weighted Avg.	1.000	291.80	292.8	0.3%	292.6	-0.1%	255.2	-12.8%	240.4	-5.8%	2.4	-99.0%
Linked		284.30			284.1	-0.1%	247.8	-12.8%	233.4	-5.8%	2.3	-99.0%
10/1/80 basis		276.80			276.6	-0.1%	241.3	-12.8%	227.3	-5.8%	2.2	-99.0%
10/1/82		235.20			235.0	-0.1%	205.0	-12.8%	193.1	-5.8%	1.9	-99.0%
4Q/87		215.10			214.9	-0.1%	187.4	-12.8%	176.6	-5.8%	1.7	-99.0%
4Q/92		181.20			181.1	-0.1%	157.9	-12.8%	148.8	-5.8%	1.5	-99.0%
4Q/97		164.10			164.0	-0.1%	143.1	-12.7%	134.8	-5.8%	1.3	-99.0%
4Q/02		148.00			147.9	-0.1%	129.0	-12.8%	121.5	-5.8%	1.2	-99.0%
4Q/07 basis		115.60			115.5	-0.1%	100.8	-12.7%	94.9	-5.9%	0.9	-99.1%
Car Hire	0.432	182.30	182.3	0.0%	181.7	-0.3%	181.5	-0.1%	182.2	0.4%	--	--
Lease Rents	0.568	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	0.0	--
Wghted Avg Eq Rents		193.80	194.5	0.4%	202.2	4.0%	196.0	-3.1%	192.1	-2.0%	0.0	--
Linked Equipment Rents		199.50			207.4	4.0%	201.0	-3.1%	197.0	-2.0%	0.0	####
Preliminary RCAF		1.156			1.155	-0.09%	1.008	-12.7%	0.949	-5.9%	0.009	-99.1%
Forecast Error Adj		(0.009)			0.044		0.014		(0.099)			
RCAF Unadjusted		1.147			1.199	4.53%	1.022	-14.8%	0.850	-16.8%	0.009	-98.9%
PAF		2.1748			2.1813	0.30%	2.1878	0.30%	2.1944	0.30%	--	--
RCAF Adjusted		0.527			0.550	4.36%	0.467	-15.1%	0.387	-17.1%	#DIV/0!	--
PAF-5		2.2955			2.3051	0.42%	2.3120	0.30%	2.3189	0.30%	--	--
RCAF-5		0.500			0.520	4.00%	0.442	-15.0%	0.367	-17.0%	#DIV/0!	--

REGULATORY FLEXIBILITY ANALYSIS

Pursuant to 49 U S C 605(b), we conclude that our action in this proceeding will not have a significant economic impact on a substantial number of small entities. No new regulatory requirements are imposed directly or indirectly on such entities. The purpose of our action in this proceeding is to update the data used to measure railroad productivity changes. Reporting requirements remain unchanged. The economic impact on small entities, if any, is not likely to be significant within the meaning of the Regulatory Flexibility Act.

AUTHORITY. 49 U S C 10708, as revised

It is ordered

- 1** Comments are due by February 23, 2009
- 2** An original and 10 copies must be filed with

United States Surface Transportation Board
395 E Street, S.W
Washington, DC 20423-0001

- 3** Comments must be served on all parties appearing on the current service list
- 4** Unless further order is issued postponing the effective date, this order becomes effective on March 1, 2009

By the Board, Chairman Nottingham, Vice Chairman Mulvey, and Commissioner
Buttrey

Anne K. Quinlan
Acting Secretary

Table A
Calculation of Input Indices
2003-2007

Year	Total Expense Unadjusted (000's)	RCR Indices 2003-2007	Total Expense Constant Dollars (000's) (2007 Levels)	Input Index Column (3) 2003/2002 etc
	(1)	(2)	(3)	(4)
2002	30,635,036	305 7	41,638,395	xxxxx
2003	32,368,909	316 7	42,466,946	1 020
2004	36,097,189	334 1	44,891,895	1 057
2005	38,927,852	376 8	42,926,015	0 956
2006	41,989,707	397 0	43,946,406	1 024
2007	43,778,699	415 5	43,778,699	0 996

Table B
Comparison of Output, Input, and Productivity
2003-2007

Year	Output Index (1)	Input Index (2)	Productivity Change ³ Col (1)-Col (2) (3)
2003	1 039	1 020	1 019
2004	1 033	1 057	0 977
2005	1 021	0 956	1 068
2006	1 018	1 024	0 994
2007	1 000	0 996 ✓	1 004

The 5-year (2003-2007) productivity trend calculated using a geometric average is 1 012, or 1 2% per year ✓

³ The values shown in Column 3 are taken from the spreadsheet used to calculate productivity and, due to rounding, may not equal numbers calculated using the rounded numbers shown in Columns 1 and 2

RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

The national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

Reduction Calculation for 2Q/2009

U S ST Hours = 331,135,912
Wage Statistics are for 2007

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	28,594	(\$170.96)	(\$58,661,162.88)
National BMW (BNSF, CSX, KCS, NS, UP)	24,164	(\$170.96)	(\$49,572,929.28)
National BRS (BNSF, CSX, KCS, NS, UP)	6,189	(\$170.96)	(\$12,696,857.28)
National IAM (BNSF, CSX, KCS, NS, UP)	6,771	(\$170.96)	(\$13,890,841.92)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,025	(\$170.96)	(\$2,102,808.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	5,039	(\$170.96)	(\$10,337,609.28)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,461	(\$170.96)	(\$5,048,790.72)
National SMW (BNSF, CSX, KCS, NS, UP)	1,069	(\$170.96)	(\$2,193,074.88)
National TCU (BNSF, CSX, KCS, NS, UP)	7,835	(\$170.96)	(\$16,073,659.20)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,617	(\$170.96)	(\$21,780,987.84)
National UTU (BNSF, CSX, KCS, NS, UP)	43,923	(\$170.96)	(\$90,108,912.96)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,715	(\$170.96)	(\$3,518,356.80)
Indep Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,835	(\$170.96)	(\$3,764,539.20)
Independent CNGT (wt avg all 104 union categories)	5,780	(\$95.91)	(\$6,652,317.60)
Independent SOO (wt avg all 13 unions)	2,416	(\$134.31)	(\$3,893,915.52)
Independent UP (Yardmasters only)	262	(\$170.96)	(\$537,498.24)
Total Union	149,695		(\$300,834,261.60)
All Other @ \$3,762,880.60 total per month			(\$45,154,567.20)
Total			(\$345,988,828.80)

Reduction in Wage Rate Per ST Hour	-\$1.04485444
Deduct this amount from the Wage Rate	-\$1.045

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0 26079	0 04507	0 18467	0 00586	0 03648	0 13922	0 06197	0 01372	0 03837	0 00602	0 02894	0 0135	0 01093	0 15445
2007 Avg.	7.462	5.320	9.862	4.216	5.857	3.914	4.056	3.218	3.966	2.846	4.333	6.394	7.534	1.701
12/31/07	7.482	5.394	9.932	4.278	5.942	3.970	4.114	3.264	3.977	2.888	4.394	6.435	7.547	1.701
1/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
4/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
7/1/08	7.621	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.602	1.752
10/1/08	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.907	1.752
1/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
4/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
7/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2007 Avg.	1.946	0.240	1.821	0.025	0.214	0.545	0.251	0.044	0.152	0.017	0.125	0.086	0.082	0.263	5.812
12/31/07	1.951	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.153	0.017	0.127	0.087	0.083	0.263	5.852
1/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
4/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
7/1/08	1.988	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.086	0.271	5.981
10/1/08	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.086	0.271	6.119
1/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
4/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
7/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143

U.S. National Contract

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SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				22 66428	4 21647
12/31/07 Industry Rate				22.99380	4 27778
1/1/08			97 958%	22 99380	4 27778
4/1/08			97 958%	22 99380	4 27778
7/1/08	4 00%		97 958%	23.89478	4 44540
10/1/08			97 958%	23 89478	4.44540
1/1/09			97.958%	23 89478	4 44540
4/1/09			97.958%	23 89478	4 44540
7/1/09			97 958%	23 89478	4 44540

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				24.42212	5 85744
12/31/07 Industry Rate				24 77623	5 94237
1/1/08			94 910%	24 77623	5 94237
4/1/08			94 910%	24 77623	5 94237
7/1/08	4 00%		94 910%	25.71684	6.16797
10/1/08			94 910%	25 71684	6.16797
1/1/09			94.910%	25 71684	6 16797
4/1/09			94.910%	25 71684	6 16797
7/1/09			94 910%	25 71684	6 16797

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				21 29321	3.91372
12/31/07 Industry Rate				21.60038	3 97018
1/1/08			92 688%	21 60038	3 97018
4/1/08			92 688%	21 60038	3 97018
7/1/08	4 00%		92 688%	22 40121	4.11738
10/1/08			92 688%	22 40121	4.11738
1/1/09			92 688%	22.40121	4.11738
4/1/09			92.688%	22 40121	4 11738
7/1/09			92.688%	22 40121	4 11738

U.S. National Contract

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IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				20 50257	2 84564
12/31/07 Industry Rate				20 80499	2.88762
1/1/08			93 924%	20 80499	2.88762
4/1/08			93 924%	20 80499	2 88762
7/1/08	4 00%		93 924%	21 58662	2 99611
10/1/08			93 924%	21.58662	2 99611
1/1/09			93 924%	21 58662	2.99611
4/1/09			93 924%	21 58662	2 99611
7/1/09			93 924%	21 58662	2 99611

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				23 03968	4 33287
12/31/07 Industry Rate				23 36668	4.39437
1/1/08			95 185%	23 36668	4 39437
4/1/08			95 185%	23.36668	4 39437
7/1/08	4 00%		95 185%	24.25634	4 56168
10/1/08			95 185%	24 25634	4.56168
1/1/09			95 185%	24 25634	4.56168
4/1/09			95 185%	24 25634	4 56168
7/1/09			95 185%	24 25634	4 56168

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				32.82204	6.39405
12/31/07 Industry Rate				33 03246	6.43505
1/1/08			0 000%	33 03246	6.43505
4/1/08			0 000%	33 03246	6 43505
7/1/08			0 000%	33 03246	6 43505
10/1/08			0 000%	33 03246	6 43505
1/1/09			0 000%	33 03246	6 43505
4/1/09			0 000%	33 03246	6 43505
7/1/09			0 000%	33.03246	6 43505

Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07

National Increase Applicability for U.S. Total

Year 2007	Not Part of National Agreements*																U S	
	Union	ST Hours Pd	CSX (E)	BLE (E)	DMIR (E)	GTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)	National Increase	Percent National Contract
U S Total																		
UTU	86,357,695		--	32,871	125,089	534,661	1,381,466	144,252	75,045		852,185	--	--	--	1,302,037	--	82,110,289	95.081%
TCU	14,922,715		--	13,486	128,915	248,531	512,157	1,792	27,436		114,963	--	--	--	414,190	--	13,460,245	90.200%
BLET	61,150,821	11,055,703		18,569	68,117	392,869	898,334	108,763	72,215		566,881	9,863,226	15,627,322	--	1,100,472	--	21,379,350	34.962%
SMW	1,940,955		--	0	1,752	0	34,385	0	0		0	--	--	--	3,495	--	1,901,323	97.958%
BRS	12,079,365		--	9,722	0	101,668	234,021	29,276	12,890		123,788	--	--	--	103,451	--	11,464,549	94.910%
BMWE	46,101,997		--	48,982	0	382,757	971,964	188,233	0		954,290	--	--	--	843,827	--	42,730,944	92.688%
TCU-CAR	20,521,407		--	25,950	49,607	204,043	505,574	22,374	21,911		314,759	--	--	--	300,842	--	19,076,347	92.958%
IBFO	4,542,603		--	1,822	0	31,471	81,293	1,792	0		0	--	--	--	72,240	--	4,353,985	95.948%
IAM	12,707,308		--	10,581	40,554	22,918	268,044	7,511	3,834		49,046	--	--	--	168,513	--	12,135,527	95.500%
IBBM	1,992,639		--	0	1,800	0	56,747	4,033	0		0	--	--	--	58,495	--	1,871,464	93.924%
IBEW	9,584,464		--	8,371	64,191	33,143	187,180	11,278	3,680		42,359	--	--	--	111,314	--	9,122,948	95.185%
ATDA	4,469,790		--	0	1,944	28,656	86,330	0	7,032		55,336	890,054	1,228,226	71,279	83,842	1,302,969	0	0.000%
UTU-YMC	3,620,368		--	0	0	62,757	80,838	0	0		42,852	--	--	--	77,022	484,754	1,734,344	47.905%
OTHER	51,143,685		--	--	--	--	--	--	--		--	--	--	--	--	--	51,143,685	100.000%
TOTAL	331,135,912	12,908,826	170,334	479,969	2,042,474	5,288,333	501,304	223,843	0	2,916,459	10,753,280	18,855,548	71,279	4,640,540	1,787,723	272,485,000		1127.119%
Sum (for proofing)																		

* In some cases, a railroad union is part of the national agreement but is being benchmarked as independent in anticipation of future independent agreements or because of a variation in their interpretation of the agreement:

Statistics based on AAR's 2007 112-Class Wage Statistics and knowledge of contracts as of August 2008

Percentages are full float

ATDA (dispatchers) are independent for each railroad. Although BNSF, CSX, and KCS are participating in a national agreement, they are benchmarked as independent. NS is participating for H&W only. UP is non-union.

IC & UP dispatchers are non-union, and given same increases as non-union, but handled independently.

0 30 %

CREDIT MARKETS

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Jan Index level	CHG FROM (%)	Dec '08	Jan '09
U.S. consumer price index				
All items	211.143	0.4		
Core	216.719	0.3	1.7	

International rates

	Latest	Week ago	-52 WEEK- High	Low
Prime rates				
U.S.	3.25	3.25	6.00	3.25
Canada	3.00	3.00	5.75	3.00
Euro zone	2.00	2.00	4.25	2.00
Japan	1.475	1.475	1.875	1.475
Switzerland	0.52	0.52	4.37	0.52
Britain	1.00	1.00	5.25	1.00
Australia	3.25	3.25	7.25	3.25
Hong Kong	5.25	5.00	7.00	5.00

Overnight repurchase

	U.S.	U.K. (8BA)	Euro zone
U.S.	0.28	0.33	2.90
U.K. (8BA)	0.825	1.275	5.742
Euro zone	1.26	1.24	4.50

U.S. government rates

Discount	0.50	0.50	3.50	0.50
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Federal funds

Effective rate	0.23	0.24	3.47	0.12
High	0.4500	0.3750	10.0000	0.3750
Low	0.1250	0.1250	2.8750	0.0000
Bid	0.1250	0.2500	3.5000	0.0000
Offer	0.3125	0.3125	7.0000	0.0500

Treasury bill auction

	4 weeks	13 weeks	26 weeks
4 weeks	0.230	0.250	2.360
13 weeks	0.300	0.340	2.160
26 weeks	0.495	0.480	2.350

Secondary market

Freddie Mac

30-year mortgage yields	30 days	60 days	90 days
30 days	4.65	4.70	6.49
60 days	4.74	4.80	6.56
90 days	3.375	3.375	3.375

Fannie Mae

30-year mortgage yields	30 days	60 days	90 days
30 days	4.645	4.594	6.566
60 days	4.737	4.690	6.618

	Latest	Week ago	-52 WEEK- High	Low
Bankers acceptances				
30 days	0.50	0.55	5.13	0.45
60 days	0.93	0.93	5.13	0.60
90 days	1.25	1.05	5.00	0.75
120 days	1.43	1.30	5.00	0.95
150 days	1.53	1.40	5.00	0.95
180 days	1.65	1.70	5.00	1.25

Other short-term rates

Call money	2.00	2.00	4.75	2.00
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Commercial paper

	30 to 30 days	31 to 59 days	60 to 89 days	90 to 119 days	120 to 149 days	150 to 175 days	176 to 180 days	181 to 210 days
30 to 30 days	0.30							
31 to 59 days	0.4							
60 to 89 days	0.38							
90 to 119 days	0.45							
120 to 149 days	0.53							
150 to 175 days	0.62							
176 to 180 days	0.64							
181 to 210 days	0.4							

Dealer commercial paper

	30 days	60 days	90 days
30 days	0.74	0.72	5.95
60 days	1.09	1.07	5.95
90 days	1.34	1.27	5.95

Euro commercial paper

	30 day	Two month	Three month	Four month	Five month	Six month
30 day	1.15	1.15	4.75	1.13		
Two month	1.31	1.28	4.80	1.28		
Three month	1.66	1.63	5.00	1.62		
Four month	1.71	1.70	5.00	1.70		
Five month	1.74	1.75	5.02	1.74		
Six month	1.77	1.79	5.07	1.77		

London interbank offered rate, or Libor

	One month	Three month	Six month	One year
One month	0.47375	0.46500	0.58750	0.32875
Three month	1.24875	1.24563	4.81875	1.08250
Six month	1.75125	1.76438	4.39375	1.46500
One year	2.06125	2.08938	4.23375	1.73750

Notes on data

U.S. prime rate and discount rate are effective December 16, 2008. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable, lending practices vary widely by location. Discount rate is the charge on loans to depository institutions by the New York Federal Reserve Bank. Federal funds rate is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more. Call money rate is the charge on loans to brokers on stock-exchange collateral. Dealer commercial paper rates are for high-grade unsecured notes sold through dealers by major corporations. Freddie Mac RNY is the required net yield for the one-year 28-rate ARM. Libor is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market. Libor Swaps quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate. New York Funding Rate is the survey-based average of unsecured bank funding costs.

Sources: Merrill Lynch, Bureau of Labor Statistics, ICAP plc, Thomson Reuters, General Electric Capital Corp., Tullett Prebon Information, Ltd.

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones indexes.

February 23, 2009

New York Funding Rate

	Latest	Week ago	-52 WEEK- High	Low
One month	0.5250	0.5156	4.8273	0.3348
Three month	1.2962	1.2822	4.9000	1.0420

Libor Swaps (USD)

	Two year	Three year	Five year	Ten year	20 year	30 year
Two year	1.576	1.647	3.978	1.257		
Three year	1.931	2.007	4.325	1.542		
Five year	2.459	2.581	4.661	1.903		
Ten year	3.020	3.141	4.968	2.304		
20 year	3.222	3.396	5.200	2.438		
30 year	3.398	3.375	5.248	2.365		

Euro Libor

	One month	Three month	Six month	One year
One month	1.565	1.593	5.186	1.565
Three month	1.868	1.923	5.391	1.868
Six month	1.975	2.018	5.438	1.975
One year	2.073	2.123	5.514	2.073

Euro interbank offered rate (Euribor)

	One month	Three month	Six month	One year
One month	1.571	1.613	5.197	1.571
Three month	1.867	1.927	5.393	1.867
Six month	1.975	2.013	5.448	1.975
One year	2.074	2.118	5.526	2.074

Libor

	One month	Three month	Six month	One year
One month	0.174	0.171	4.993	0.149
Three month	0.778	0.771	4.442	0.751
Six month	1.117	1.126	4.100	1.100
One year	1.567	1.592	3.950	1.550

Asian dollars

	One month	Three month	Six month	One year
One month	0.470	0.474	4.588	0.328
Three month	1.242	1.244	4.780	1.086
Six month	1.732	1.760	4.438	1.450
One year	2.050	2.095	5.408	1.708

	LATEST Offer	Rtd	Week ago	52-WEEK High	Low
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Eurodollars (mid rates)

	One month	Two month	Three month	Four month	Five month	Six month
One month	0.40	0.85	0.60	6.25	0.45	
Two month	0.70	1.20	0.95	5.50	0.70	
Three month	1.00	1.50	1.13	5.75	0.90	
Four month	1.25	1.50	1.33	5.25	1.03	
Five month	1.30	1.70	1.43	5.25	1.13	
Six month	1.40	1.85	1.63	5.25	1.38	

Citigroup is in talks that could lead to the government expanding its stake in Cit.

12.7% notes due May 1 yielding 8.803%



Investment-grade spreads that tighten

Issuer	Symbol	Coupon (%)
Deutsche Telekom Intl Finance	DT	5.375
US Bank NA	USB	6.375
Wells Fargo	WFC	5.300
Goldman Sachs Capital	GS	6.345
Merrill Lynch	MER	6.050
Wyeth	WYE	6.950
Kellogg	K	5.125
Procter & Gamble	PG	3.500

And spreads that widened the most

Issuer	Symbol	Coupon (%)
Wells Fargo	WFC	5.250
HSBC Holdings	HSBC	6.500
Citigroup	C	6.000
JPMorgan Chase	JPM	5.125
Credit Suisse	CS	6.500
Hartford Financial Services	HFG	5.375
Devon Energy	DVN	5.625
Koninklijke Philips Electronics	PHG	6.875

High-yield issues with the biggest price

Issuer	Symbol	Coupon (%)
Terex	TEX	7.375
MGM MIRAGE	MGM	6.625
Constellation Brands	STZ	7.250
Lamar Media	LAMR	7.250
Sungard Data Systems	SOSINC	10.250
Williams Partners	WPZ	7.500
KB Home	KBH	6.375
Allied Capital	ALD	6.000

And with the biggest price decreases

Issuer	Symbol	Coupon (%)
Dow Chemical	DVA	6.625
Energy Future Holdings	TXU	10.875
Serbia	SELA	9.750
Chiquita Brands International	CQB	7.500
Dynegy	DYN	8.375
Mediacom Broadband	MCCC	8.500
Chesapeake Energy	CHK	6.500
El Paso	EP	8.250

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year. Data are for the most active issue of bonds with maturity.

SCHEDULE: CNGT various (DMIR TCU-CAR and GTW IBEW)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00058			
2008/Q3	4	1 870	0 4675	\$0 00044	\$0 00015	\$0 00000	\$0 00014
2008/Q4	3	1 710	0 4275	\$0 00029	\$0 00015	\$0 00000	\$0 00014
2009/Q1	2	0 150	0 0375	\$0 00015	\$0 00015	\$0 00000	\$0 00015
2009/Q2	1	0 300	0 0750	\$0 00000	\$0.00015	\$0 00000	\$0 00015

SCHEDULE: BLE TCU

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00010			
2008/Q4	4	1 710	0 4275	\$0 00007	\$0 00002	\$0 00000	\$0.00002
2009/Q1	3	0 150	0 0375	\$0 00005	\$0 00002	\$0 00000	\$0 00002
2009/Q2	2	0 300	0 0750	\$0 00002	\$0 00002	\$0 00000	\$0 00002
2009/Q3	1		0 0000	\$0 00000	\$0 00002	\$0 00000	\$0 00002

SCHEDULE: CSX ATDA-East

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 01109			
2008/Q4	4	1 710	0 4275	\$0 00834	\$0 00280	\$0 00005	\$0 00276
2009/Q1	3	0.150	0 0375	\$0 00556	\$0 00278	\$0 00000	\$0 00278
2009/Q2	2	0 300	0 0750	\$0.00278	\$0.00278	\$0 00000	\$0 00278
2009/Q3	1		0 0000	\$0 00000	\$0 00278	\$0 00000	\$0 00278

SCHEDULE: CSX BLET

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 38286			
2009/Q2	4	0 300	0 0750	\$0 28726	\$0.09590	\$0 00029	\$0 09561
2009/Q3	3		0 0000	\$0 19150	\$0 09575	\$0 00000	\$0 09575
2009/Q4	2		0 0000	\$0 09575	\$0 09575	\$0 00000	\$0 09575
2010/Q1	1		0 0000	\$0 00000	\$0 09575	\$0 00000	\$0 09575

Section 3 - Second General Wage Increase

Effective July 1, 2003, each basic monthly rate of pay in effect on June 30, 2003 for employees covered by this Agreement shall be increased in the amount of two and one-half percent (2 ½ %) representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 4 - Third General Wage Increase

Effective July 1, 2004, each basic monthly rate of pay in effect on June 30, 2004 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

ARTICLE II

Part I - Transfer Time

Effective January 1, 2005, existing agreements are amended to provide that an employee covered by this Agreement shall receive an allowance for all time consumed immediately prior or subsequent to the employee's regular tour of duty that is (i) required by the Carrier, and (ii) directly involves the transition of ongoing work responsibilities between shifts. Such allowance shall not exceed an amount equal to fifteen (15) minutes' time at the straight time rate of pay.

Part II - Thoroughbred Performance Bonus Program Participation

The Parties agree that employees represented by ATDD/BLE will participate in the Norfolk Southern Thoroughbred Performance Bonus Program for the periods and on the basis set forth below.

Section 1

- (a) Effective January 1, 2005 and payable in 2006 train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of five percent (5%) of their dispatcher earnings in the preceding calendar year.
- (b) Effective January 1, 2006 and payable in 2007 train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of five percent (5%) of their dispatcher earnings in the preceding calendar year.
- (c) Effective January 1, 2007 and payable in 2008, and each year thereafter, train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of ten percent (10%) of their dispatcher earnings in the preceding calendar year.

**RCAF Back Pay Amortization
2009/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr	U S ST Hours	
IC - BMW (ECS offset)	2008Q3	2008Q3	(\$236,250)	-0 00071345	-0 00285	331,135,912	2007
GTC/CN - various ¹	Various	2008Q3	\$4,693,403	0 01417365	0 05669	331,135,912	2007
UP - UTU-YMD (new contract)	2008Q2	2008Q3	\$3,445,994	0 01040658	0 04163	331,135,912	2007
SOO - new BRIS IBEW NCFO SMW	2008Q2	2008Q3	\$495,002	0 00149486	0 00598	331,135,912	2007
National UTU & UTU-YMD	2008Q3	2008Q4	\$248,263,064	0 74973162	2 99893	331,135,912	2007
BNSF - ATDA	2008Q3	2008Q4	\$531,401	0 00160478	0 00642	331,135,912	2007
GTC/CN - various ²	2008Q3	2008Q4	\$2,310,514	0 00697754	0 02791	331,135,912	2007
GTC/CN (ECS) - various ³	Various	2008Q4	\$37,288	0 00011261	0 00045	331,135,912	2007
SOO - TCU-CAR & UTU YMD	2008Q3	2008Q4	\$1,016,782	0 00307059	0 01228	331,135,912	2007
National IAM	2008Q4	2009Q1	\$31,263,259	0 09441217	0 37765	331,135,912	2007
SOO - IAMA UTU	2008Q3	2009Q1	\$3,239,631	0 00978339	0 03913	331,135,912	2007
GTC/CN - various ⁴	Various	2009Q1	\$2,147,112	0 00648408	0 02594	331,135,912	2007
CSX - UTU-YMD (national)	2008Q3	2009Q1	\$5,362,086	0 01619301	0 06477	331,135,912	2007
GTW - BMW (ECS offset)	2009Q2	2009Q2	(\$124,812)	-0 00037692	-0 00151	331,135,912	2007
Total			\$302,444,472	0 91335449			

Should be slightly less
than amortized amount

Fell out

UP - ATDA	2008Q2	2008Q2	\$312,309	0 00094315	0 00377	331,135,912	2007
UP - UTU-YMD	2008Q2	2008Q2	(\$21,285)	-0 00006428	-0 00026	331,135,912	2007
GTW - TCU-CAR	2008Q2	2008Q2	\$1,079,857	0 00326107	0 01304	331,135,912	2007

Interest Rate

2007/Q1	4 940
2007/Q2	5 035
2007/Q3	4 775
2007/Q4	4 600
2008/Q1	3 390
2008/Q2	2 160
2008/Q3	1 870
2008/Q4	1 710
2009/Q1	0 150
2009/Q2	0 300
2009/Q3	
2009/Q4	

Back Pay Adjustment for 2009/Q2

→ 0 91633
or
0 916

¹ DMIR TCU-CAR, GTW IBEW, IC IBEW, SMW and UTU (including CCP)

² BLE TCU, GTW BME

³ BLE BLET and UTU, GTW ATDA and BLET

⁴ DMIR IBEW and UTU, IC and CCP TCU

SCHEDULE 500 BRS, IBEW, NCFO, SMW (new contracts)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00598			
2008/Q3	4	1 870	0 4675	\$0 00450	\$0 00151	\$0 00003	\$0 00148
2008/Q4	3	1 710	0 4275	\$0 00300	\$0 00151	\$0 00002	\$0 00149
2009/Q1	2	0 150	0 0375	\$0 00150	\$0 00150	\$0 00000	\$0 00150
2009/Q2	1	0 300	0 0750	\$0 00000	\$0.00150	\$0 00000	\$0 00150

SCHEDULE: National UTU and UTU-YMD (new contracts)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$2 99893			
2008/Q4	4	1 710	0 4275	\$2 25399	\$0 75776	\$0 01282	\$0 74494
2009/Q1	3	0 150	0 0375	\$1 50294	\$0 75189	\$0 00085	\$0 75105
2009/Q2	2	0 300	0 0750	\$0 75175	\$0.75231	\$0 00113	\$0 75119
2009/Q3	1		0 0000	\$0 00000	\$0 75175	\$0 00000	\$0 75175

SCHEDULE: BNSF ATDA

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00642			
2008/Q4	4	1 710	0 4275	\$0 00482	\$0 00162	\$0 00003	\$0 00159
2009/Q1	3	0 150	0 0375	\$0 00322	\$0 00161	\$0 00000	\$0 00161
2009/Q2	2	0 300	0 0750	\$0 00161	\$0 00161	\$0 00000	\$0 00161
2009/Q3	1		0 0000	\$0 00000	\$0 00161	\$0 00000	\$0 00161

SCHEDULE. National IAM

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 37765			
2009/Q1	4	0 150	0 0375	\$0 28329	\$0 09450	\$0 00014	\$0 09436
2009/Q2	3	0 300	0 0750	\$0 18893	\$0 09457	\$0 00021	\$0 09436
2009/Q3	2		0 0000	\$0 09447	\$0 09447	\$0 00000	\$0 09447
2009/Q4	1		0 0000	\$0 00000	\$0 09447	\$0 00000	\$0 09447

SCHEDULE SOO IAM (changes from interim) and UTU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 03913			
2009/Q1	4	0 150	0 0375	\$0 02936	\$0 00979	\$0 00001	\$0 00978
2009/Q2	3	0 300	0 0750	\$0 01958	\$0 00980	\$0 00002	\$0 00978
2009/Q3	2		0 0000	\$0 00979	\$0 00979	\$0 00000	\$0 00979
2009/Q4	1		0 0000	\$0 00000	\$0 00979	\$0 00000	\$0 00979

SCHEDULE. DMIR IBEW & UTU, IC and CCP TCU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 02594			
2009/Q1	4	0 150	0 0375	\$0 01946	\$0 00649	\$0 00001	\$0 00648
2009/Q2	3	0 300	0 0750	\$0 01298	\$0 00650	\$0 00001	\$0 00648
2009/Q3	2		0 0000	\$0 00649	\$0 00649	\$0 00000	\$0 00649
2009/Q4	1		0 0000	\$0 00000	\$0 00649	\$0 00000	\$0 00649

Health and Welfare

	Employees Receiving				
	Pay 2007	Monthly Contribution		Total 2007 Avg	Total 2009
		2007 Avg	2009		
1 All Employees					
a Group health	175,741	\$1,097 66	\$1,112 21	\$192,903,866 06	\$195,460,897 61
b Group dental	175,741	47 14	56 31	8,284,430 74	9,895,975 71
c Early retirement major medical	175,741	89 06	117 56	15,651,493 46	20,660,111 96
d Group vision	175,741	10 70	10 16	1,880,428 70	1,785,528 56
2 Supplemental Sickness					
a Signalmen	6,524	32 06	8 55	209,159 44	55,780 20
b Shopcrafts	25,894	61 06	30 04	1,581,087 64	777,855 76
c MOW	26,021	36 06	14 89	938,317 26	387,452 69
d Yardmasters	2,132	41 13	28 89	87,689 16	61,593 48
3 Short-Term Disability					
a Engineers (CSX, KCS, UP)	15,664	40 00	40 00	626,560 00	626,560 00
b Engineers (SOO, \$40 began 2Q 2006)	494	40 00	40 00	19,760 00	19,760 00
4 Monthly Total Premiums				222,182,792 46	229,731,515 97
5 Monthly Employee Contributions To H&W					
a National BLET (BNSF CSX KCS NS UP)	28,594	(\$156 44)	(\$170 96)	(\$4,473,245 36)	(\$4,888,430 24)
b National BMW (BNSF CSX KCS NS UP)	24,164	(\$83 13)	(\$170 96)	(\$2,008,753 32)	(4,131,077 44)
c National BRS (BNSF CSX KCS NS, UP)	6,189	(\$133 13)	(\$170 96)	(\$823,941 57)	(1,058,071 44)
d National IAM (BNSF CSX KCS NS UP)	6,771	(\$127 48)	(\$170 96)	(\$863,167 08)	(1,157,570 16)
e National IBBM (BNSF CSX KCS NS UP)	1,025	(\$151 95)	(\$170 96)	(\$155,748 75)	(175,234 00)
f National IBEW (BNSF CSX KCS NS UP)	5,039	(\$154 29)	(\$170 96)	(\$777,467 31)	(861,467 44)
g National NCFO (BNSF CSX KCS NS, UP)	2,461	(\$156 39)	(\$170 96)	(\$384,875 79)	(420,732 56)
h National SMW (BNSF CSX KCS NS UP)	1,069	(\$156 39)	(\$170 96)	(\$167,180 91)	(182,756 24)
i National TCU (BNSF CSX KCS NS UP)	7,835	(\$147 24)	(\$170 96)	(\$1,153,625 40)	(1,339,471 60)
j National TCU-CAR (BNSF CSX KCS NS UP)	10,617	(\$147 47)	(\$170 96)	(\$1,565,688 99)	(1,815,082 32)
k National UTU (BNSF CSX KCS NS UP)	43,923	(\$154 66)	(\$170 96)	(\$6,793,131 18)	(7,509,076 08)
l National UTU-Yardmasters (BNSF CSX KCS NS)	1,715	(\$151 30)	(\$170 96)	(\$259,479 50)	(293,196 40)
m National ATDA (wt avg BNSF KCS NS & CSX)	1,835	(\$152 37)	(\$170 96)	(\$279,598 95)	(313,711 60)
n Independent CNGT (wt avg all 104 union categories)	5,780	(\$68 86)	(\$95 91)	(\$398,010 80)	(554,359 80)
o Independent SOO (weighted average all 13 unions)	2,416	(\$114 44)	(\$134 31)	(\$276,487 04)	(324,492 96)
p Independent UP (Yardmasters only)	262	(\$142 51)	(\$170 96)	(\$37,337 62)	(44,791 52)
Total Major Union	149,695			(\$20,417,739 57)	(\$25,069,521 80)
All Other Employee Contributions**				(\$3,762,880 60)	(\$3,762,880 60)
6 Net Employer Monthly Payments				\$198,002,172 29	\$200,899,113 57
7 Ratio Projected Year to Base Year, Based on Net Monthly Payments					1 01463
8 H&W hourly rate for base year				\$5 788	
9 H&W hourly rate for projected quarter					\$5.873

* 70% of CSX Dispatchers participate in national agreement, remaining have independent agreement.

** Mostly non-union employee contributions The \$20,417,739 57 in major union contributions, plus \$3,762,880 60 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey

Health and Welfare

Employee H&W Cost Sharing

Group	Railroads	Contract Source
a BLET	BNSF, CSX, KCS, UP NS	Article IV Part B Section 1 (b) Article XVI Sections 2, same as national
b BMWE	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
c BRS	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
d IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
e IBBM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
f IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
g NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
h SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
i TCU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
j TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
k UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
l UTU-YMD	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
m Dispatchers	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
n Independent CN	all union categories incl \$0 agmmts	
o Independent SOO	all unions	Provided by Canadian Pacific Railway
p Independent UP yardmasters		Article IV Part B Section 1 (b)

Railroad Retirement & Medicare, U S

1Q/2009

1Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg Annual Earnings	Avg City Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
\$0 - 21699	0.556	977	\$8,267	\$9,416	\$2,354	\$2,354	\$2,354	\$2,354	\$2,300,193	\$2,300,193	\$2,300,193
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	28,476	7,119	7,119	7,119	7,119	1,739,057	1,739,057	1,739,057
25700 - 27699	0.232	408	\$27,038	30,797	7,699	7,699	7,699	7,699	3,139,092	3,139,092	3,139,092
27700 - 29699	0.185	325	\$28,680	32,867	8,167	8,167	8,167	8,167	2,655,171	2,655,171	2,655,171
29700 - 31699	0.648	1,139	\$30,770	35,047	8,762	8,762	8,762	8,762	9,978,013	9,978,013	9,978,013
31700 - 33699	0.556	977	\$32,688	37,232	9,308	9,308	9,308	9,308	9,095,042	9,095,042	9,095,042
33700 - 35699	0.695	1,221	\$34,798	39,635	9,909	9,909	9,909	9,909	12,102,855	12,102,855	12,102,855
35700 - 37699	1.204	2,116	\$36,696	41,797	10,449	10,449	10,449	10,449	22,109,899	22,109,899	22,109,899
37700 - 39699	1.575	2,768	\$38,829	44,227	11,057	11,057	11,057	11,057	30,604,008	30,604,008	30,604,008
39700 - 41699	2.886	4,720	\$40,703	46,361	11,590	11,590	11,590	11,590	54,710,915	54,710,915	54,710,915
41700 - 43699	4.030	7,082	\$42,849	48,806	12,201	12,201	12,201	12,201	86,414,632	86,414,632	86,414,632
43700 - 45699	5.049	8,873	\$44,700	50,914	12,728	12,728	12,728	12,728	112,941,732	112,941,732	112,941,732
45700 - 47699	6.253	10,989	\$46,635	53,118	13,279	13,279	13,279	13,279	145,929,119	145,929,119	145,929,119
47700 - 49699	5.234	9,198	\$48,753	55,530	13,883	13,883	13,883	13,883	127,695,800	127,695,800	127,695,800
49700 - 51699	4.863	8,548	\$50,858	57,700	14,425	14,425	14,425	14,425	123,280,350	123,280,350	123,280,350
51700 - 53699	4.308	7,571	\$52,623	59,938	14,985	14,985	14,985	14,985	113,446,956	113,446,956	113,446,956
53700 - 55699	4.261	7,488	\$54,777	62,392	15,598	15,598	15,598	15,598	116,802,282	116,802,282	116,802,282
55700 - 57699	4.122	7,244	\$56,668	64,547	16,137	16,137	16,137	16,137	116,894,771	116,894,771	116,894,771
57700 - 59699	4.308	7,571	\$58,713	66,875	16,719	16,719	16,719	16,719	126,576,043	126,576,043	126,576,043
59700 - 61699	3.752	6,594	\$60,687	69,123	17,281	17,281	17,281	17,281	113,946,253	113,946,253	113,946,253
61700 - 63699	2.825	4,965	\$62,565	71,262	17,816	17,816	17,816	17,816	88,448,699	88,448,699	88,448,699
63700 - 65699	3.428	6,024	\$64,747	73,748	18,437	18,437	18,437	18,437	111,071,340	111,071,340	111,071,340
65700 - 67699	3.289	5,780	\$66,650	75,915	18,979	18,979	18,979	18,979	109,699,735	109,699,735	109,699,735
67700 - 69699	3.011	5,282	\$68,571	78,103	19,526	19,526	19,526	19,526	103,321,996	103,321,996	103,321,996
69700 - 71699	2.362	4,151	\$70,605	80,420	20,105	20,105	20,105	20,105	83,455,872	83,455,872	83,455,872
71700 - 73699	2.779	4,884	\$72,709	82,816	20,704	20,704	20,704	20,704	101,115,624	101,115,624	101,115,624
73700 - 75699	1.780	3,093	\$74,592	84,961	21,240	21,240	21,240	21,240	65,697,141	65,697,141	65,697,141
75700 - 77699	2.409	4,234	\$76,791	87,486	21,866	21,866	21,866	21,866	92,573,924	92,573,924	92,573,924
77700 - 79699	1.575	2,768	\$78,679	89,616	22,404	22,404	22,404	22,404	62,012,743	62,012,743	62,012,743
79700 - 81699	2.084	3,682	\$80,918	92,167	23,042	23,042	23,042	23,042	54,804,831	54,804,831	54,804,831
81700 - 83699	1.821	2,849	\$82,807	94,318	23,580	23,580	23,580	23,580	72,516,360	72,516,360	72,516,360
83700 - 85699	1.297	2,279	\$84,780	96,565	24,141	24,141	24,141	24,141	56,405,480	56,405,480	56,405,480
85700 - 87699	2.223	3,907	\$86,623	98,865	24,686	24,686	24,686	24,686	45,131,343	45,131,343	45,131,343
87700 - 89699	1.482	2,604	\$88,844	101,194	25,299	25,299	25,299	25,299	77,353,104	77,353,104	77,353,104
89700 - 91699	1.297	2,279	\$90,674	103,279	25,820	25,820	25,820	25,820	51,568,736	51,568,736	51,568,736
91700 - 93699	1.204	2,116	\$92,711	105,599	26,400	26,400	26,400	26,400	45,131,343	45,131,343	45,131,343
93700 - 95699	0.973	1,710	\$94,442	107,571	26,700	26,700	26,700	26,700	41,895,248	41,895,248	41,895,248
95700 - over	9.726	17,091	\$144,529	164,620	41,155	41,155	41,155	41,155	45,855,930	45,855,930	45,855,930
TOTAL	100.000000	175,741	\$67,596	164,620	41,155	41,155	41,155	41,155	3,135,283,622	2,885,922,932	3,362,672,114

City Pmt \$194,388,205 \$349,196,675 \$49,048,748

Tier I & II & Medicare \$592,633,625

Railroad Retirement & Medicare, U S 3Q/2009

3Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Employees Pay 2007 (2006 RRB State)	Avg Annual Earnings	Avg Annual Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emg	Tier II Tot Tax Emg	Medicare Tot Tax Emg
\$0 - 21699	0.556	977	\$8,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21700 - 23699	0.000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23700 - 25699	0.139	244	\$25,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25700 - 27699	0.232	408	\$27,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27700 - 29699	0.185	325	\$28,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29700 - 31699	0.848	1,139	\$30,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31700 - 33699	0.556	977	\$32,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33700 - 35699	0.695	1,221	\$34,798	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35700 - 37699	1.204	2,116	\$36,698	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37700 - 39699	1.575	2,768	\$38,829	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39700 - 41699	2.686	4,720	\$40,703	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41700 - 43699	4.030	7,082	\$42,849	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43700 - 45699	5.049	8,873	\$44,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45700 - 47699	6.253	10,989	\$46,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47700 - 49699	5.234	9,198	\$48,753	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49700 - 51699	4.863	8,548	\$50,658	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51700 - 53699	4.308	7,571	\$52,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53700 - 55699	4.261	7,488	\$54,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55700 - 57699	4.122	7,244	\$56,669	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57700 - 59699	4.308	7,571	\$58,713	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59700 - 61699	3.752	6,594	\$60,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61700 - 63699	2.825	4,965	\$62,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63700 - 65699	3.428	6,024	\$64,747	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65700 - 67699	3.289	5,780	\$66,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67700 - 69699	3.011	5,292	\$68,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69700 - 71699	2.362	4,151	\$70,605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71700 - 73699	2.779	4,894	\$72,709	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73700 - 75699	1.760	3,093	\$74,582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75700 - 77699	2.408	4,234	\$76,791	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77700 - 79699	1.575	2,768	\$78,679	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79700 - 81699	2.084	3,682	\$80,818	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81700 - 83699	1.621	2,849	\$82,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
83700 - 85699	1.297	2,279	\$84,780	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
85700 - 87699	2.223	3,907	\$86,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
87700 - 89699	1.482	2,604	\$88,844	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
89700 - 91699	1.297	2,279	\$90,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91700 - 93699	1.204	2,116	\$92,711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93700 - 95699	0.973	1,710	\$94,442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95700 - over	9.725	17,091	\$144,529	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	100.000	175,741									

Total Taxable	457,135,534	0.062	0.0145
City Pmt	\$28,342,409		\$0
Tier I & II & Medicare	\$73,209,300		\$101,551,709

RCAF Unemployment Insurance Tax

	Unemployment Ins. Tax Rate	Earnings Base	Hourly Earnings	RRB Sample Year	Factor To Update RRB Sample	Avg. Ann. Taxable Earnings	Un. Ins. Hourly Rate
			\$27.952	(2003)			
2004 Avg	2.88%	\$13,560	\$28 151		1 007119	\$12,797.12	\$0 197
4Q/05	2.29%	\$13,800	\$29 157		1.043110	\$13,030.55	\$0 159
1Q/06	2.36%	\$14,340	\$29 277		1.047403	\$13,526.36	\$0.170
2Q/06	2 36%	\$14,340	\$29.255		1.046616	\$13,526.05	\$0.170
3Q/06	2.36%	\$14,340	\$29 302		1.048297	\$13,526 71	\$0 170
			\$28 151	(2004)			
2005 Avg.	2 29%	\$13,800	\$28.884		1 026038	\$12,810.75	\$0 162
4Q/06	2.36%	\$14,340	\$29.136		1.034990	\$13,295.94	\$0.173
1Q/07	2.47%	\$14,760	\$29 220		1 037974	\$13,670.56	\$0.186
2Q/07	2.47%	\$14,760	\$29 238		1 038613	\$13,670 92	\$0.186
3Q/07	2.47%	\$14,760	\$29 336		1.042094	\$13,672 83	\$0 186
			\$28 884	(2005)			
2006 Avg	2.36%	\$14,340	\$29 465		1.020115	\$13,053.43	\$0.173
4Q/07	2 47%	\$14,760	\$30 476		1 055117	\$13,438 69	\$0.186
1Q/08	2 48%	\$15,360	\$31 071		1.075717	\$13,972 06	\$0.195
2Q/08	2 48%	\$15,360	\$31.090		1.076374	\$13,972.45	\$0 195
3Q/08	2 48%	\$15,360	\$31 594		1.093824	\$13,982 57	\$0.195
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30 806		1.045512	\$13,903.99	\$0.192
3Q/08 reb.	2 48%	\$15,360	\$32 327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2 47%	\$15,960	\$33.561		1.139012	\$15,038 39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672 ✓		1 142780	\$15,040.15	\$0.208
3Q/09					0.000000		—

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

2005 rate changes from 2.28% to 2.29% because rebenchmarking to 2004 (and later) wage statistics and annual report data adds BL&E and DMIR to the railroad group.

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2788	2914.89	1.0455120
FactorQ	2788	3186.07	1.1427800
Capa	2788	41150880.00	14760.00
Capq	2788	44496480.00	15960.00

within the past few months. Lower global oil demand and rising surplus production capacity through at least mid-year 2009 reduce the possibility for a strong and sustained rebound in oil prices over that period. OPEC is scheduled to meet in Vienna on March 15, which could lead to another production cut to mitigate some of the slack in the world oil market. However, near-month oil prices will likely be driven primarily by the global economy. Global real gross domestic product (GDP, weighted according to shares of world oil consumption) is assumed to decline by 0.1 percent in 2009 and rise by 3.0 percent in 2010, versus last month's assessment of 0.6-percent growth in real GDP in 2009 and 3.0-percent growth in 2010.

Consumption. World oil consumption is projected to fall by 1.2 million barrels per day (bbl/d) in 2009, representing an additional decline of 400,000 bbl/d from last month's *Outlook*. World oil consumption is expected to rebound in 2010, growing by more than 1.2 million bbl/d, due to an expected recovery in the global economy. Oil consumption growth over the next 2 years is concentrated in countries outside of the Organization for Economic Cooperation and Development (OECD), particularly China, the Middle East, and Latin America, offsetting projected declines in OECD oil consumption (World Oil Consumption). If the world economy recovers sooner than EIA now anticipates, oil consumption could be higher than expected, putting upward pressure on oil prices.

Non-OPEC Supply. Non-OPEC oil supply is expected to grow by 150,000 bbl/d in 2009 and 130,000 bbl/d in 2010. The expected growth in non-OPEC supply over the next 2 years comes in stark contrast to the 330,000-bbl/d decline seen in 2008, which was the result of longer-than-expected delays in key projects, larger-than-expected decline rates in mature basins, and supply disruptions in the Gulf of Mexico and Central Asia. The largest sources of growth over the forecast period are the United States, Brazil, and Azerbaijan, offset by large declines in production in Mexico, the North Sea, and Russia. The expected decline in Russian output in 2009 (-160,000 bbl/d) is especially noteworthy. Russian oil production grew by 3 million bbl/d from 2000 through 2007, representing 75 percent of total non-OPEC oil production growth over that period.

There are downside risks to the outlook for non-OPEC supply, as additional project delays are certainly possible given the financial crisis and the current price environment. Sustained lower oil prices bring into doubt the viability of some high-cost non-OPEC projects, especially those utilizing nonconventional technology or those seeking to exploit frontier oil basins. The credit crunch associated with the global economic crisis can also make it difficult to acquire financing for new projects or even to finance the investment required to prevent accelerated declines at

1980 (U.S. Petroleum Products Consumption Growth). The major factors behind the fall in consumption were a rapid rise in retail prices to record levels during the first half of 2008 followed by a weakening economy in the second half. Motor gasoline consumption in 2008 declined by 320,000 bbl/d, or 3.4 percent. Despite the cold weather that gripped much of the Lower-48 States in December, distillate fuel consumption in 2008 fell by 5.4 percent from the previous year as a result of precipitous declines in transportation consumption of diesel fuel. Major reductions in airline capacity during the fourth quarter contributed to the 100,000-bbl/d, or 6.2-percent, drop in jet fuel consumption. Total petroleum products consumption in 2009 is projected to fall by a further 460,000 bbl/d, or 2.4 percent, because of continued economic weakness. Consumption of both motor gasoline and distillate fuel are projected to decline by about 100,000 bbl/d each. Jet fuel is forecast to fall by a further 60,000 bbl/d. The expected economic recovery in 2010 is projected to boost total petroleum products consumption by 220,000 bbl/d, or 1.1 percent.

Production. In 2008, domestic crude oil production averaged 4.95 million bbl/d, down by 110,000 bbl/d from 2007 (U.S. Crude Oil Production). However, in 2009, domestic output is projected to increase by about 400,000 bbl/d to an average of 5.35 million bbl/d. This would be the first increase in production since 1991. Output is projected to rise by a further 130,000 bbl/d in 2010. Contributing to the increases in output are the Gulf of Mexico Thunder Horse platform, which is coming on stream now, and the Tahiti platform, expected to come on stream later this year.

Prices. WTI prices averaged almost \$100 per barrel in 2008, with daily spot prices ranging from almost \$150 per barrel in early July to about \$30 per barrel towards the end of the year. Under current economic and world crude oil supply assumptions, WTI prices are expected to average \$43 per barrel in 2009 and \$55 per barrel in 2010 (Crude Oil Prices). The possibility of a milder recession or faster economic recovery, lower non-OPEC production because of the current low oil prices and financial market constraints, and more aggressive action to lower production by OPEC countries could lead to a faster and stronger recovery in oil prices.

Regular-grade gasoline prices are projected to average \$1.95 per gallon in 2009 and \$2.19 per gallon in 2010. Because of lower motor gasoline consumption, refining margins for gasoline are expected to remain low for much of 2009 but are expected to increase slightly in 2010 as consumption begins to recover.

On-highway diesel fuel retail prices, which averaged \$3.79 per gallon in 2008, are projected to average \$2.28 per gallon in 2009 and \$2.55 in 2010. The expected continuation of the decline in diesel fuel consumption in the United States this year as well as a slowing of the growth in distillate fuel usage outside the United States are

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
First Quarter 2009
February 26, 2009

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1102	261.79	268.99	1.0275
Metal Products	.6389	201.78	198.65	.9845
Miscellaneous Products	.2509	325.74	294.47	.9040
U.S. By Composition	--	239.50	230.44	.9622
U.S. By Composition (Linked)	--	243.91	234.69	.9622
United States (1977=100) Linking Factor: 1.423	--	347.08	333.96	.9622
United States (1980=100) Linking Factor: 1.061	--	258.79	249.01	.9622

Equipment Rents Data From CHARM

	2008						2009							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No. of Cars	9,319	9,298	9,260	9,236	9,191	9,119	9,029	8,962	8,941					
Superstructures														
Rate	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0					
Superstructures #3 - Auto Rack	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0					
All other #1 - Time	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2					
All other #2 - Mileage														
Privately Owned														
No. of Cars	49,751	49,742	49,703	49,602	49,646	49,604	49,945	49,865	49,842					
Superstructures	342,056	341,834	342,364	343,455	343,426	342,491	343,062	342,492	341,790					
Covered Hoppers	314,047	314,204	315,055	315,796	314,885	313,030	315,208	314,695	315,003					
Tank Cars	297,412	298,033	299,463	301,343	302,182	304,636	305,747	304,116	305,148					
Others														
Rate	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0					
Superstructures #1 - Time	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0					
Superstructures #2 - Mileage	57.0	58.0	58.0	59.0	60.0	59.0	55.0	56.0	56.0					
Superstructures #3 - Auto Rack	44.9	45.0	45.1	45.2	45.2	45.2	43.8	44.0	44.0					
Covered Hoppers #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1	73.2	73.5	76.2					
Tank Cars #2 - Mileage	64.0	64.0	64.0	63.0	63.0	63.0	63.0	62.0	62.0					
Others #1 -Time	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7					
Others #2 - Mileage														
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33	19.33	19.33	19.33	0.00	0.00	0.00	0.00	0.00
Private Others	20.81	20.81	20.81	20.59	20.89	20.89	20.89	20.46	20.46	0.00	0.00	0.00	0.00	0.00
Private Total	48.75	48.76	48.87	48.84	48.87	48.46	44.76	44.89	46.71	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autotrucks	51.01	51.86	51.86	52.74	53.62	52.82	49.49	50.62	50.52	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

	"Old Wts" "New Wts"	
	2008	2007
For RCAF & RCR		
RR-owned Time	0.182	0.189
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Autotrucks	0.005	0.000
----- Check sum	1.000	1.000
Weights for Equipment Rents (not used in Car Hire calculation)		
	2008	2007
Car Hire - U S	0.463	0.432
Lease Rentals - U S.	0.537	0.568
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

RAILROAD EQUIPMENT 1/

1 PROGRAM DPRB799
CURRENT DATE MARCH 01, 2009

AVERAGE RATE FOR 03/09			
CAR GROUP	CAR COUNT	TIME	AUTO RACK
CAR RENTAL RATES			
		MILEAGE	
-VEHICULAR FLATS	8,941	082 \$/MILE	20 c/HR
ONO OF ZERO RATED VEH FLATS 2/	98		
-ALL OTHER CARS	640,396	072 \$/MILE	
ONO OF ZERO RATED "OTHER" CARS 2/	40,209		
0 TOTAL	689,644		

- 1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES
 CAR TYPE D - LOCOMOTIVES
 CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
 CAR TYPE U - CONTAINERS
 CAR TYPE 2 - TRAILERS
 0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6) THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2009q2\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 135.400 Maximum 188.400
Mean 161.833 Standard deviation 16.459

Classical decomposition (multiplicative)

Trend-cycle: 98.85% Seasonal: 0.14% Irregular: 1.01%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Box-Jenkins outperforms exponential smoothing by 2.611 to 2.629 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

Recommended model: Box-Jenkins

Forecast Model for PPIRE

ARIMA(0,1,0)

Within-Sample Statistics

Sample size 72	Number of parameters 0
Mean 161.8	Standard deviation 16.46
R-square 0.9886	Adjusted R-square 0.9887
Durbin-Watson 1.786	* Ljung-Box(18)=34.34 P=0.9886
Forecast error 1.749	BIC 1.749
MAPE 0.006421	RMSE 1.749
MAD 1.06	

Forecast Report

Thu Feb 19 13:49:20 2009

Box-Jenkins model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2003-02	135.400
2003-03	135.500
2003-04	136.000
2003-05	136.300
2003-06	136.300
2003-07	136.700
2003-08	136.500
2003-09	136.900
2003-10	137.200
2003-11	137.700
2003-12	137.300
2004-01	137.900
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000
2004-11	147.000
2004-12	153.200

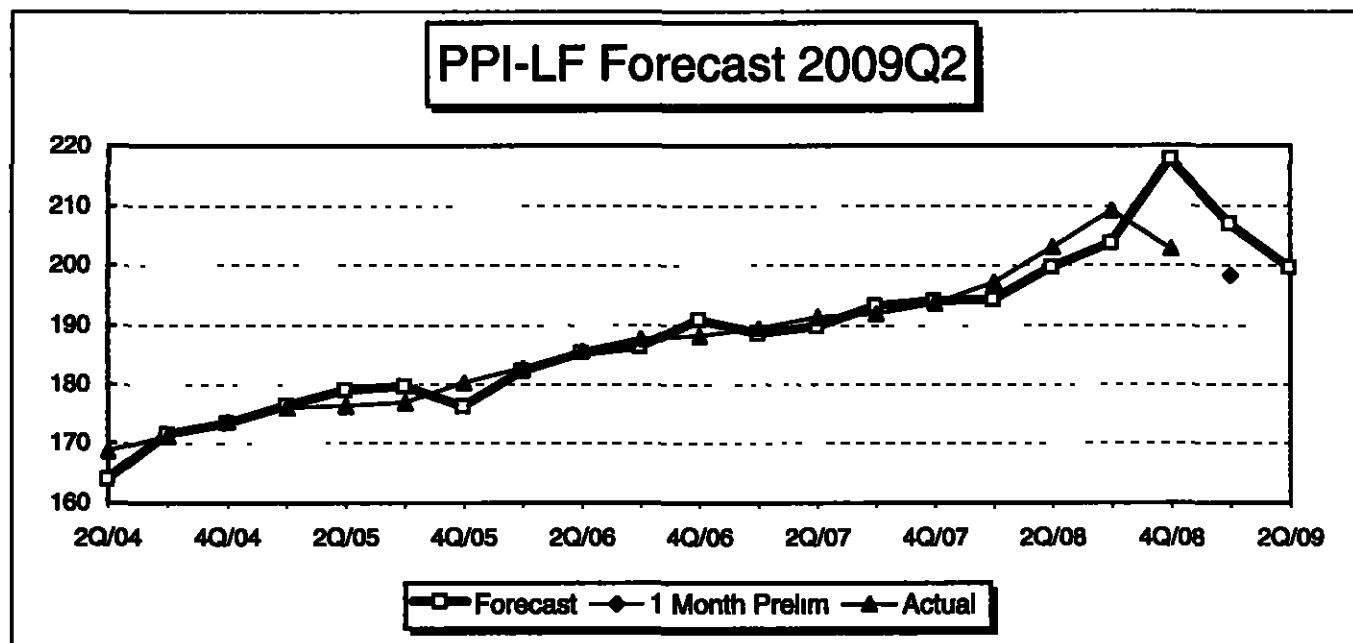
			re_ppi.txt
2009-10	170.345	180.700	191.055
2009-11	169.785	180.700	191.615
2009-12	169.252	180.700	192.148
2010-01	168.743	180.700	192.657

PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
2Q/04	163.9	168.6	
3Q/04	171.4	171.1	
4Q/04	173.3	173.7	
1Q/05	176.3	176.0	
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0		198.3
2Q/09	199.7		

1980 Base

	PPI-LF Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2009Q2						
Low	172.9	193.8	-4.6%			
Midpoint	178.1	199.7	-1.7%	0.7%	-1.5%	-3.5%
High	183.4	205.6	1.2%			



lf_ppi.txt

2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	184.400
2008-11	180.700
2008-12	177.600
2009-01	176.900

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
------	-----------	----------	------------



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Databases, Tables & Calculators by Subject

FONT SIZE

Data extracted on: February 20, 2009 (11:47 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group Industrial Commodities less fuels

Item Industrial commodities less fuels

Base Date 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	184.4(p)	180.7(p)	177.6(p)	181.2(p)
2009	176.9(p)												

p Preliminary All indexes are subject to revision four months after original publication

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All-Inclusive Index (Actual)

	07 Wts	3Q/08 06 Wts	3Q/08 07 Wts	% Chg.	4Q/08 07 Wts	% Chg.	1Q/09 07 Wts	2Q/09 07 Wts	3Q/09 07 Wts	% Chg.
Labor	32.8%	317.2	317.2	0.0%	330.6	4.2%	NA	NA	NA	NA
Fuel	20.3%	481.0	481.0	0.0%	319.4	-33.6%	NA	NA	NA	NA
M&S	5.0%	228.3	228.3	0.0%	252.2	10.5%	NA	NA	NA	NA
Equipment Rents	7.2%	202.7	202.7	0.0%	198.7	-2.0%	0.0	#DIV/0!	#DIV/0!	NA
Depreciation	11.0%	202.8	202.8	0.0%	203.1	0.1%	NA	NA	NA	NA
Interest	2.7%	90.2	90.2	0.0%	88.0	-2.4%	88.0	88.0	88.0	0.0%
Other	21.0%	209.2	209.2	0.0%	202.8	-3.1%	NA	NA	NA	NA
Weighted Avg.	1.0000									
Linked		295.2	296.4	0.4%	267.5	-9.8%	2.4	#DIV/0!	#DIV/0!	NA
10/1/80		287.8			259.7	-9.8%	2.3	#DIV/0!	#DIV/0!	NA
10/1/82		280.2			252.9	-9.7%	2.2	#DIV/0!	#DIV/0!	NA
4Q/87		238.0			214.8	-9.7%	1.9	#DIV/0!	#DIV/0!	NA
4Q/92		217.7			196.4	-9.8%	1.7	#DIV/0!	#DIV/0!	NA
4Q/97		183.4			165.5	-9.8%	1.5	#DIV/0!	#DIV/0!	NA
4Q/02		166.2			149.9	-9.8%	1.3	#DIV/0!	#DIV/0!	NA
4Q/07		149.8			135.2	-9.7%	1.2	#DIV/0!	#DIV/0!	NA
Equipment Rents		117.0			105.6	-9.7%	0.9	#DIV/0!	#DIV/0!	NA
Car Hire	43.2%	182.2	182.2	0.0%	181.6	-0.3%	NA	NA	NA	NA
Lease Rentals	56.8%	209.2	209.2	0.0%	202.8	-3.1%	0.0	0.0	0.0	NA
ER Weighted Avg	1.0000	196.7	197.5	0.4%	193.6	-2.0%	0.0	0.0	0.0	NA
ER Linked		202.7			198.7	-2.0%	0.0	#DIV/0!	#DIV/0!	NA

Impact/Check of weight change	06 Wts	07 Wts
Labor	109.434	104.042
Fuel	92.352	97.643
Material & Supplies	11.415	11.415
Equipment Rents	15.811	14.594
Depreciation	21.497	22.308
Interest	2.435	2.435
Other	42.258	-43.932
Weighted Avg.	295.202	296.369
ER Weighted Avg	196.699	197.536

Car Hire for RCAF

RCAF (Actual)							
		1980	Aug 3Q/08	Nov 4Q/08	Feb 1Q/09	May 2Q/09	Aug 3Q/09
RATE							
RR-OWNED TIME		31 00	67.00	67.00	--	--	--
RR-OWNED MILEAGE		4 69	7 20	7 20	--	--	--
PRIVATELY-OWNED CARS		25.47	45 78	45 57	--	--	--
AUTORACKS		47 00	51 86	53 62	--	--	--
INDEX							
RR-OWNED TIME		100.0	216 1	216 1	--	--	--
RR-OWNED MILEAGE		100 0	153 5	153.5	--	--	--
PRIVATELY-OWNED CARS		100 0	179 7	178 9	--	--	--
AUTORACKS		100 0	110 3	114 1	--	--	--
CAR HIRE INDEX (old wts)	2006	100.0	183 4	--	--	--	--
CAR HIRE INDEX (new wts)	2007	100.0	183 2	182 6	--	--	--
CAR HIRE INDEX (LINKED)		100 0	182 2	181 6	--	--	--

Note Indexes are rounded, rates are full float

AVERAGE RATE FOR 11/08

CAR RENTAL RATES		AUTO RACK	
CAR GROUP	CAR COUNT	TIME	MILEAGE
-VEHICULAR FLATS	9,191	130 c/HR	082 \$/MILE
ONO. OF ZERO RATED VEH FLATS 2/	84		19 c/HR
-ALL OTHER CARS	653,854	67 c/HR	072 \$/MILE
ONO OF ZERO RATED "OTHER" CARS 2/	37,416		
0	TOTAL		700,545

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES

- CAR TYPE D - LOCOMOTIVES
- CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
- CAR TYPE U - CONTAINERS
- CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6) THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group . Transportation equipment

Item : Railroad equipment

Forecast Year 2009 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	09Q1	09Q2	09Q3	09Q4
For Actual	→	08Q3	08Q4	09Q1	09Q2
January	2008	178.4	178.4		
February	2008	178.2	178.2		
March	2008	177.6	177.6		
April	2008	178.7	178.7		
May	2008	178.0	178.0		
June	2008	181.2	181.2		
July	2008	184.7	180.8		
August	2008	182.4	181.7		
September	2008	182.8	182.9		
October	2008	188.4	188.4		
November	2008		182.0		
December	2008		180.5		
January	2009		180.7		
February	2009				
March	2009				
April	2009				
May	2009				
June	2009				
July	2009				
Actual Qtr.		183.3	183.6	NA	NA

1980=100

Actual Qtr.	202.8	203.1	NA	NA
First Mo. next qtr.	208.4	199.9	NA	NA

0.904 =1980

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2009

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast	→	09Q1	09Q2	09Q3	09Q4
For Actual	→	08Q3	08Q4	09Q1	09Q2
January	2008	174.7	174.7		
February	2008	175.9	175.9		
March	2008	177.4	177.4		
April	2008	179.8	179.8		
May	2008	181.8	181.8		
June	2008	183.2	183.2		
July	2008	185.7	185.9		
August	2008	187.5	186.6		
September	2008	186.6	186.2		
October	2008	184.4	184.4		
November	2008		180.7		
December	2008		177.6		
January	2009		176.9		
February	2009				
March	2009				
April	2009				
May	2009				
June	2009				
July	2009				
Actual Qtr.		186.6	180.9	NA	NA

1980=100

Actual Qtr.

First Mo. next qtr.

209.2	202.8	NA	NA
206.7	198.3	NA	NA

0 892 =1980

Workpapers Sent to STB for 2009 Q2 RCAF

March 5, 2009



- 1 Index Calculation Spreadsheet (index_calc.xls, 2 pages)
- 2 Copy of STB's 2/3/09 Productivity decision (4 pages)
- 3 Summary (of ST and PFTNW Hourly Rates)
- 4 Taxable wages adjustment calculation
- 5 National Contracts spreadsheet, 2 sections (2 and 5 pages)
- 6 National Increase Applicability and U S 2007 Benchmark spreadsheets
- 7 Wall Street Journal - 3 month Treasury Bill Rate
- 8 2009/Q2 RCAF Lump Sum Amortization (4 pages)
9. 3 pages from labor agreements relating to lump sums
- 10 2009/Q2 RCAF Back Pay Amortization (6 pages)
11. Health & Welfare worksheet (3 pages)
- 12 Railroad Retirement spreadsheet (5 pages)
- 13 Unemployment Insurance worksheet
- 14 2-page SAS runs for Unemployment Insurance
- 15 Five pages from EIA's *Short-Term Energy Outlook* for February
- 16 Summary of Materials & Supplies
- 17 Two-page Equipment Rents spreadsheet (Car Hire) plus source data (2 pages)
- 18 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
- 19 5 pages of PPI-LF for Other (and Lease Rentals) incl graph, input/output, BLS source data
- 20 Forecast Error calculation and workpapers (11 pages)

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RCAF All-Inclusive Index's Labor Index Based on 2007 Benchmarks

07 Wts	3Q/08		4Q/08		1Q/09		2Q/09		3Q/09	
	Original	Rebenchd	% Chg	fr. Org	% Chg	% Chg	% Chg	% Chg	% Chg	% Chg
Straight Time	\$25,601	\$26,465	3.4%		\$27,239	1.4%	\$27,239	0.0%		
PFTNW	\$6,099	\$6,003	-1.6%		\$6,173	0.5%	\$6,173	0.0%		
Total	\$31,700	\$32,468	2.4%		\$33,412	1.2%	\$33,412	0.0%	\$0,000	--
Adjustments										
Lump Sum	\$0,116	\$0,120			\$0,194		\$0,310			
Back Pay	\$0,664	\$0,687			\$0,920		\$0,916			
Other	\$0,079	\$0,079			\$0,079		\$0,079			
Total Wages	\$32,559	\$33,354	2.4%		\$34,605	1.1%	\$34,717	0.3%	\$0,000	--
Pre-Tax Reduction	(\$0,965)	(\$1,027)			(\$1,044)		(\$1,045)			
Taxable Wages	\$31,594	\$32,327			\$33,561		\$33,672		\$0,000	
H & W	\$5,500	\$5,611	2.0%		\$5,873	4.6%	\$5,873	0.0%		
RR Ret & Medicare	\$6,609	\$6,774	2.5%		\$7,044	2.0%	\$7,061	0.2%		
Unemp. Insurance	\$0,195	\$0,201	3.1%		\$0,208	3.5%	\$0,208	0.0%		
Other	\$0,136	\$0,141	3.7%		\$0,095	21.8%	\$0,144	51.6%		
Total	\$12,440	\$12,727	2.3%		\$13,220	3.3%	\$13,286	0.5%	\$0,000	--
Adjustments										
Total Suppl.	\$12,440	\$12,727	2.3%		\$13,220	3.3%	\$13,286	0.5%	\$0,000	--
Total Labor	\$44,999	\$46,081	2.4%		\$47,825	1.7%	\$48,003	0.4%	\$0,000	--
Wage Rate Index	278.6	285.4	2.4%		296.1	1.1%	297.1	0.3%	0.0	--
Suppl Index	459.7	470.3	2.3%		488.5	3.3%	491.0	0.5%	0.0	--
Total Labor Index '06 Wts.	329.1									
Total Labor Index '07 Wts	330.6	338.5	2.4%		351.3	1.9%	352.7	0.4%	0.0	--
Labor Index (Linked)	317.2				337.0	1.9%	338.3	0.4%	0.0 #####	

All Inclusive Index and RCAF

	07 Wts	3Q/08	3Q/08 07 Wts	% Chg	4Q/08	% Chg	1Q/09	% Chg	2Q/09	% Chg	3Q/09	% Chg
Labor	0.328	317.20	317.2	0.0%	330.6	4.2%	337.0	1.9%	338.3	0.4%	0.0 #####	0.0 #####
Fuel	0.203	472.80	472.8	0.0%	423.6	-10.4%	237.3	-44.0%	180.0	-24.1%	--	--
M&S	0.050	228.30	228.3	0.0%	252.2	10.5%	258.8	2.6%	249.0	-3.8%	--	--
Equip. Rents	0.072	199.50	199.5	0.0%	207.4	4.0%	201.0	-3.1%	197.0	-2.0%	0.0 #####	0.0 #####
Depreciation	0.110	197.90	197.9	0.0%	204.8	3.5%	211.6	3.3%	199.9	-5.5%	--	--
Interest	0.027	90.20	90.2	0.0%	88.0	-2.4%	88.0	0.0%	88.0	0.0%	88.0	0.0%
Other	0.210	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	--	--
Weighted Avg.	1.000	291.80	292.8	0.3%	292.6	-0.1%	255.2	-12.8%	240.4	-5.8%	2.4 -99.0%	2.4 -99.0%
Linked		284.30			284.1	-0.1%	247.8	-12.8%	233.4	-5.8%	2.3 -99.0%	2.3 -99.0%
10/1/80 basis		276.80			276.6	-0.1%	241.3	-12.8%	227.3	-5.8%	2.2 -99.0%	2.2 -99.0%
10/1/82		235.20			235.0	-0.1%	205.0	-12.8%	193.1	-5.8%	1.9 -99.0%	1.9 -99.0%
4Q/87		215.10			214.9	-0.1%	187.4	-12.8%	176.6	-5.8%	1.7 -99.0%	1.7 -99.0%
4Q/92		181.20			181.1	-0.1%	157.9	-12.8%	148.8	-5.8%	1.5 -99.0%	1.5 -99.0%
4Q/97		164.10			164.0	-0.1%	143.1	-12.7%	134.8	-5.8%	1.3 -99.0%	1.3 -99.0%
4Q/02		148.00			147.9	-0.1%	129.0	-12.8%	121.5	-5.8%	1.2 -99.0%	1.2 -99.0%
4Q/07 basis		115.60			115.5	-0.1%	100.8	-12.7%	94.9	-5.9%	0.9 -99.1%	0.9 -99.1%
Car Hire	0.432	182.30	182.3	0.0%	181.7	-0.3%	181.5	-0.1%	182.2	0.4%	--	--
Lease Rents	0.568	203.80	203.8	0.0%	217.8	6.9%	207.0	-5.0%	199.7	-3.5%	0.0	0.0
Wghted Avg Eq Rents		193.80	194.5	0.4%	202.2	4.0%	196.0	-3.1%	192.1	-2.0%	0.0	0.0
Linked Equipment Rents		199.50			207.4	4.0%	201.0	-3.1%	197.0	-2.0%	0.0 #####	0.0 #####
Preliminary RCAF		1.156			1.155	-0.09%	1.008	-12.7%	0.949	-5.9%	0.009	-99.1%
Forecast Error Adj. RCAF Unadjusted		(0.009) 1.147			0.044 1.199	4.53%	0.014 1.022	-14.8%	(0.099) 0.850	-16.8%	0.009	-98.9%
PAF		2.1748			2.1813	0.30%	2.1878	0.30%	2.1944	0.30%	--	--
RCAF Adjusted		0.527			0.550	4.36%	0.467	-15.1%	0.387	-17.1%	#DIV/0!	#DIV/0!
PAF-5		2.2955			2.3051	0.42%	2.3120	0.30%	2.3189	0.30%	--	--
RCAF-5		0.500			0.520	4.00%	0.442	-15.0%	0.367	-17.0%	#DIV/0!	#DIV/0!

39704
EB

SERVICE DATE – FEBRUARY 5, 2009

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 290 (Sub-No. 4)

RAILROAD COST RECOVERY PROCEDURES-PRODUCTIVITY ADJUSTMENT

Decided February 3, 2009

We propose to adopt 1.012 (1.2% per year) as the measure of average (arithmetic mean) change in railroad productivity for the 2003-2007 (5-year) averaging period. This value represents a 0.1% decline from the current measure of 1.3% that was developed for the 2002-2006 period.

X
✓ does
not
belong

Since 1989, the cost recovery procedures have required that the quarterly rail cost adjustment factor (RCAF) be adjusted for long-run changes in railroad productivity. The ICC Termination Act of 1995 continues this requirement (49 U.S.C. 10708, as revised). This long-run measure of productivity is computed using a 5-year moving geometric average.¹ ✓

Productivity change for the year 2007 is 1.004 based on changes in input and output levels from 2006, representing an increase of 1.0% from the rate of productivity growth in 2006 relative to 2005 (0.994). Incorporating the 2007 value with the values for the 2003-2006 period produces a geometric average productivity growth of 1.012 for the 5-year period 2003-2007, or 1.2% per year. As the new geometric mean was computed by replacing the 2002 figure of 1.006 with the nearly identical figure of 1.004 for 2007, there was no discernable change in the geometric mean from last year's value. A detailed discussion of our calculations is contained in the Appendix to this decision.

✓
use
1.2%

Comments may be filed addressing any perceived data and computational errors in our calculation. Any party proposing a different estimate of productivity growth must, at the time it files comments, furnish the Board with one set of detailed workpapers and documentation underlying its calculations. The same information must be made available to other parties upon request.

ENVIRONMENTAL AND ENERGY CONSIDERATIONS

This decision will not significantly affect the quality of the human environment or the conservation of energy resources.

¹ Productivity Adjustment-Implementation, 9 I.C.C.2d 1072 (1993)

REGULATORY FLEXIBILITY ANALYSIS

Pursuant to 49 U.S.C. 605(b), we conclude that our action in this proceeding will not have a significant economic impact on a substantial number of small entities. No new regulatory requirements are imposed directly or indirectly on such entities. The purpose of our action in this proceeding is to update the data used to measure railroad productivity changes. Reporting requirements remain unchanged. The economic impact on small entities, if any, is not likely to be significant within the meaning of the Regulatory Flexibility Act.

AUTHORITY: 49 U.S.C. 10708, as revised

It is ordered:

1. Comments are due by February 23, 2009.
2. An original and 10 copies must be filed with:

United States Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

3. Comments must be served on all parties appearing on the current service list.
4. Unless further order is issued postponing the effective date, this order becomes effective on March 1, 2009.

By the Board, Chairman Nottingham, Vice Chairman Mulvey, and Commissioner Buttrey.

Anne K. Quinlan
Acting Secretary

APPENDIX

The following is a description of the methodology currently used to calculate the RCAF productivity adjustment.² The annual rate of productivity change is calculated by dividing an output index by an input index.

The input index uses constant dollar-adjusted expenses. The inputs in this index - freight expenses, fixed charges and contingent interest - are stated on a constant dollar basis using the most recent year as the base, and updating the base by the Series RCR Index published by the Association of American Railroads. Freight expenses, fixed charges, and contingent interest were obtained from railroad Annual Report (Form R-1) data. The constant dollar adjustment factor for each of the 5 years was calculated by dividing the 2007 RCR index value (415.5) by the RCR index values for 2003 and each subsequent year through 2006, inclusive. Because 2007 is the last year in the trend, no constant dollar adjustment was needed for that year. The calculation of the input indices and values used are shown in Table A

The 2007 output index was developed from the costed waybill sample, a commonly used data source. The costed waybill sample excludes movements originating in Canada and Mexico and movements lacking sufficient information for the application of unit costs.

Using the costed waybill sample as a base, each movement is assigned to one of the 189 segments or categories used to develop the output index. Segmentation is based on three mileage blocks, seven car types, three weight brackets, and three shipment sizes. The output index is a composite of the year-to-year change in ton-miles for each of the 189 segments weighted by each segment's base-year share of total revenues.

The change in productivity is calculated by dividing the output index by the input index. The multi-year average for the period 2003-2007 is calculated by taking a geometric mean, which was found to be 1.012 (1.2% per year). The arithmetic mean for growth in productivity over the period 2003-2007 is also 1.012 (1.2% per year). The input index, the output index, the annual productivity change, and the calculation of the 2003-2007 average are shown in Table B.

² The development and application of the productivity adjustment is explained in the decision in this proceeding found at 51 C.C.2d 434 (1989)

Table A
Calculation of Input Indices
2003-2007

Year	Total Expense Unadjusted (000's) (1)	RCR Indices 2003-2007 (2)	Total Expense Constant Dollars (000's) (2007 Levels) (3)	Input Index Column (3) 2003/2002 etc (4)
2002	30,635,036	305.7	41,638,395	xxxxx
2003	32,368,909	316.7	42,466,946	1 020
2004	36,097,189	334.1	44,891,895	1 057
2005	38,927,852	376.8	42,926,015	0 956
2006	41,989,707	397.0	43,946,406	1 024
2007	43,778,699	415.5	43,778,699	0 996

Table B
Comparison of Output, Input, and Productivity
2003-2007

Year	Output Index (1)	Input Index (2)	Productivity Change ³ Col (1) - Col (2) (3)
2003	1 039	1 020	1 019
2004	1 033	1 057	0 977
2005	1 021	0 956	1 068
2006	1.018	1 024	0 994
2007	1 000	0 996 ✓	1 004

The 5-year (2003-2007) productivity trend calculated using a geometric average is 1.012, or 1.2% per year. ✓

³ The values shown in Column 3 are taken from the spreadsheet used to calculate productivity and, due to rounding; may not equal numbers calculated using the rounded numbers shown in Columns 1 and 2.

Hourly Rate for 2009 Q2

Straight Time and Time Paid For But Not Worked

2009Q2 Straight Time Hourly Rate (from national spreadsheet)

\$27.107

no change

Adjustments to 2007 base:

Adjustments added 2008 Q1

CN Railroads	New IC&CCP BRS 4% for WC BRS 3% for non-unions, \$0.16 COLA for some CCP DMIR IC	0.004
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	\$0.16 COLA for CSX and UP UTU-YMD, 3% for UP ATDA (non-union)	0.005
SOO	New ATDA, IAM, IBBM and TCU contracts, \$0.16 COLA for rest except BLET	0.001

Adjustments added 2008 Q2

CN Railroads	New GTW TCU Carmen with retroactive G W I	0.001
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjustments added 2008 Q3

CN Railroads	New GTW & IC BSCW, IC SMW DMIR Carmen, IC/CCP UTU w/retro GWI, rest w/retro GWI	0.027
Dispatcher 4 (BNSF, CSX, KCS, NS)	4% G W I for BNSF, CSX and KCS	0.007
Misc. Independent BLET, Yardmasters, Dispatchers	New UP YMD with retro G.W I 4% for BNSF BLET \$0.26 COLA for CSX YMD	0.045
SOO	New BRS, IBEW, NCFO and SMW with retro G W I	0.008

Adjustments added 2008 Q4

CN Railroads	New UTW BMW & BLE TCU Adj to account for Aug 07 W I for GTW BLET and UTU for CC&P, GTW, IC & WC	0.006
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	New TCU-Carmen and UTU YMD with retro G W I	0.002

Adjustments added 2009 Q1

CN Railroads	New CCP&IC TCU DMIR IBEW, COLA for WC&DMIR&DWP BMW, 4% for non-unions	0.008
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	CSX participates in new (2008) national UTU-YMD, 4% for UP ATDA as non-union	0.013
SOO	New UTU with retro G W I, IAM becomes nat'l-like from intern BMW COLA	0.005

Adjustments added 2009 Q2

CN Railroads	No change	0.000
Dispatcher 4 (BNSF, CSX, KCS, NS)	No change	0.000
Misc. Independent BLET, Yardmasters, Dispatchers	No change	0.000
SOO	No change	0.000

Adjusted STHR Total

\$27.239

Pay For Time Not Worked

PFTNW (from national spreadsheet)

\$6.143

Ratio Adj STHR to Nat STHR

27.239 / 27.107 =

1.00487

Adjusted Pay For Time Not Worked

\$6.173

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, GTW, IC, and WC
2. "Dispatcher 4" was benchmarked based on 2007 Wage Statistics as independent, even though the new national ATDA contract was signed September 1, 2007.

RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

The national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

Reduction Calculation for 2Q/2009

U.S. ST Hours = 331,135,912
 Wage Statistics are for 2007

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	28,594	(\$170.96)	(\$58,661,162.88)
National BMWE (BNSF, CSX, KCS, NS, UP)	24,164	(\$170.96)	(\$49,572,929.28)
National BRS (BNSF, CSX, KCS, NS, UP)	6,189	(\$170.96)	(\$12,696,857.28)
National IAM (BNSF, CSX, KCS, NS, UP)	6,771	(\$170.96)	(\$13,890,841.92)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,025	(\$170.96)	(\$2,102,808.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	5,039	(\$170.96)	(\$10,337,609.28)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,461	(\$170.96)	(\$5,048,790.72)
National SMW (BNSF, CSX, KCS, NS, UP)	1,069	(\$170.96)	(\$2,193,074.88)
National TCU (BNSF, CSX, KCS, NS, UP)	7,835	(\$170.96)	(\$16,073,659.20)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,617	(\$170.96)	(\$21,780,987.84)
National UTU (BNSF, CSX, KCS, NS, UP)	43,923	(\$170.96)	(\$90,108,912.96)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,715	(\$170.96)	(\$3,518,356.80)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,835	(\$170.96)	(\$3,764,539.20)
Independent CNGT (wt avg all 104 union categories)	5,780	(\$95.91)	(\$6,652,317.60)
Independent SOO (wt avg all 13 unions)	2,416	(\$134.31)	(\$3,893,915.52)
Independent UP (Yardmasters only)	262	(\$170.96)	(\$537,498.24)
Total Union	149,695		(\$300,834,261.60)
All Other @ \$3,762,880.60 total per month			(\$45,154,567.20)
Total			(\$345,988,828.80)

Reduction in Wage Rate Per ST Hour	-\$1.04485444
Deduct this amount from the Wage Rate	-\$1.045

National Contracts U.S.

	Straight Time Hourly Rate														Check Sum 1.00000
	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.26079	0.04507	0.18467	0.00586	0.03648	0.13922	0.06197	0.01372	0.03837	0.00602	0.02894	0.0135	0.01093	0.15445	
2007 Avg.	21.431	22.684	23.955	22.664	24.422	21.293	22.136	18.421	21.996	20.503	23.040	32.822	27.352	42.237	
12/31/07	21.488	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.057	20.805	23.367	33.032	27.400	42.237	
1/1/08	21.640	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.209	20.805	23.367	33.032	27.476	43.504	
4/1/08	21.640	23.002	24.126	22.994	24.776	21.600	22.455	18.689	22.209	20.805	23.367	33.032	27.476	43.504	
7/1/08	21.887	23.832	24.463	23.895	25.717	22.401	23.290	19.406	22.458	21.587	24.256	33.032	27.601	43.504	
10/1/08	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	22.458	21.587	24.256	33.032	28.707	43.504	
1/1/09	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	24.321	21.587	24.256	33.032	28.707	45.244	
4/1/09	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	24.321	21.587	24.256	33.032	28.707	45.244	
7/1/09	23.374	23.832	24.463	23.895	25.717	22.401	23.290	19.406	24.321	21.587	24.256	33.032	28.707	45.244	

Weighted Straight Time Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2007 Avg.	5.589	1.022	4.424	0.133	0.891	2.965	1.372	0.253	0.844	0.123	0.667	0.443	0.299	6.523	25.548
12/31/07	5.604	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.846	0.125	0.676	0.446	0.300	6.523	25.707
1/1/08	5.644	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.852	0.125	0.676	0.446	0.300	6.719	25.949
4/1/08	5.644	1.037	4.455	0.135	0.904	3.007	1.392	0.256	0.852	0.125	0.676	0.446	0.300	6.719	25.949
7/1/08	5.708	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.862	0.130	0.702	0.446	0.302	6.719	26.367
10/1/08	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.862	0.130	0.702	0.446	0.314	6.719	26.767
1/1/09	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.933	0.130	0.702	0.446	0.314	6.988	27.107
4/1/09	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.933	0.130	0.702	0.446	0.314	6.988	27.107
7/1/09	6.096	1.074	4.518	0.140	0.938	3.119	1.443	0.266	0.933	0.130	0.702	0.446	0.314	6.988	27.107

Note: The 2007 Average and 12/31/07 Straight Time Hourly Rates are the Industry rates, and include all Class I railroad employees. The rates for 1/1/08 through 7/1/09 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2007 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.26079	0.04507	0.18467	0.00586	0.03648	0.13922	0.06197	0.01372	0.03837	0.00602	0.02894	0.0135	0.01093	0.15445
2007 Avg.	7.462	5.320	9.862	4.216	5.857	3.914	4.056	3.218	3.966	2.846	4.333	6.394	7.534	1.701
12/31/07	7.482	5.394	9.932	4.278	5.942	3.970	4.114	3.264	3.977	2.888	4.394	6.435	7.547	1.701
1/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
4/1/08	7.535	5.394	9.932	4.278	5.942	3.970	4.114	3.264	4.005	2.888	4.394	6.435	7.568	1.752
7/1/08	7.621	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.602	1.752
10/1/08	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.049	2.996	4.562	6.435	7.907	1.752
1/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
4/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822
7/1/09	8.139	5.589	10.071	4.445	6.168	4.117	4.267	3.390	4.385	2.996	4.562	6.435	7.907	1.822

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2007 Avg.	1.946	0.240	1.821	0.025	0.214	0.545	0.251	0.044	0.152	0.017	0.125	0.086	0.082	0.263	5.812
12/31/07	1.951	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.153	0.017	0.127	0.087	0.083	0.263	5.852
1/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
4/1/08	1.965	0.243	1.834	0.025	0.217	0.553	0.255	0.045	0.154	0.017	0.127	0.087	0.083	0.271	5.875
7/1/08	1.988	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.083	0.271	5.981
10/1/08	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.155	0.018	0.132	0.087	0.086	0.271	6.119
1/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
4/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143
7/1/09	2.123	0.252	1.860	0.026	0.225	0.573	0.264	0.046	0.168	0.018	0.132	0.087	0.086	0.281	6.143

U.S. National Contract

Page 1 of 5

UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				21 43136	7 46235
12/31/07 Industry Rate				21.48796	7.48205
1/1/08		0.16000	95.081%	21.64009	7.53503
4/1/08			95.081%	21.64009	7.53503
7/1/08		0 26000	95.081%	21.88730	7 62110
10/1/08			95.081%	23.37436	8.13890
1/1/09			95.081%	23.37436	8.13890
4/1/09			95.081%	23.37436	8.13890
7/1/09			95.081%	23.37436	8.13890

New contract removes COLAs beginning 7/1/05 and adds four retro G W I

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				22.68401	5.31991
12/31/07 Industry Rate				23.00206	5.39450
1/1/08			90.200%	23.00206	5.39450
4/1/08			90.200%	23.00206	5.39450
7/1/08	4.00%		90.200%	23.83197	5.58913
10/1/08			90.200%	23.83197	5.58913
1/1/09			90.200%	23.83197	5.58913
4/1/09			90.200%	23.83197	5.58913
7/1/09			90.200%	23.83197	5.58913

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				23.95489	9.86184
12/31/07 Industry Rate				24.12555	9.93210
1/1/08			34.962%	24.12555	9.93210
4/1/08			34.962%	24.12555	9.93210
7/1/08	4.00%		34.962%	24.46294	10.07100
10/1/08			34.962%	24.46294	10.07100
1/1/09			34.962%	24.46294	10.07100
4/1/09			34.962%	24.46294	10.07100
7/1/09			34.962%	24.46294	10.07100

U.S. National Contract

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SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				22.66428	4.21647
12/31/07 Industry Rate				22.99380	4.27778
1/1/08			97.958%	22.99380	4.27778
4/1/08			97.958%	22.99380	4.27778
7/1/08	4.00%		97.958%	23.89478	4.44540
10/1/08			97.958%	23.89478	4.44540
1/1/09			97.958%	23.89478	4.44540
4/1/09			97.958%	23.89478	4.44540
7/1/09			97.958%	23.89478	4.44540

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				24.42212	5.85744
12/31/07 Industry Rate				24.77623	5.94237
1/1/08			94.910%	24.77623	5.94237
4/1/08			94.910%	24.77623	5.94237
7/1/08	4.00%		94.910%	25.71684	6.16797
10/1/08			94.910%	25.71684	6.16797
1/1/09			94.910%	25.71684	6.16797
4/1/09			94.910%	25.71684	6.16797
7/1/09			94.910%	25.71684	6.16797

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				21.29321	3.91372
12/31/07 Industry Rate				21.60038	3.97018
1/1/08			92.688%	21.60038	3.97018
4/1/08			92.688%	21.60038	3.97018
7/1/08	4.00%		92.688%	22.40121	4.11738
10/1/08			92.688%	22.40121	4.11738
1/1/09			92.688%	22.40121	4.11738
4/1/09			92.688%	22.40121	4.11738
7/1/09			92.688%	22.40121	4.11738

U.S. National Contract

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TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				22.13635	4 05604
12/31/07 Industry Rate				22 45538	4.11449
1/1/08			92.958%	22.45538	4.11449
4/1/08			92.958%	22.45538	4.11449
7/1/08	4 00%		92.958%	23.29035	4.26748
10/1/08			92.958%	23.29035	4.26748
1/1/09			92.958%	23.29035	4.26748
4/1/09			92.958%	23.29035	4.26748
7/1/09			92.958%	23.29035	4.26748

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg				18 42081	3.21755
12/31/07 Industry Rate				18 68946	3.26448
1/1/08			95 848%	18.68946	3.26448
4/1/08			95.848%	18.68946	3.26448
7/1/08	4.00%		95.848%	19.40599	3.38963
10/1/08			95.848%	19.40599	3.38963
1/1/09			95.848%	19.40599	3.38963
4/1/09			95.848%	19.40599	3.38963
7/1/09			95.848%	19 40599	3.38963

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				21.99565	3.96598
12/31/07 Industry Rate				22.05664	3.97698
1/1/08		0.16000	95.500%	22.20944	4.00453
4/1/08			95.500%	22.20944	4.00453
7/1/08		0.26000	95.500%	22.45774	4.04930
10/1/08			95.500%	22.45774	4.04930
1/1/09			95.500%	24.32065	4.38520
4/1/09			95.500%	24.32065	4.38520
7/1/09			95.500%	24 32065	4.38520

New contract removes COLAs beginning 7/1/08 and adds three retro G W I and \$0.38 rate adjustment on 10/1/08

U.S. National Contract

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IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				20.50257	2.84564
12/31/07 Industry Rate				20.80499	2.88762
1/1/08			93.924%	20.80499	2.88762
4/1/08			93.924%	20.80499	2.88762
7/1/08	4.00%		93.924%	21.58662	2.99611
10/1/08			93.924%	21.58662	2.99611
1/1/09			93.924%	21.58662	2.99611
4/1/09			93.924%	21.58662	2.99611
7/1/09			93.924%	21.58662	2.99611

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				23.03968	4.33287
12/31/07 Industry Rate				23.36668	4.39437
1/1/08			95.185%	23.36668	4.39437
4/1/08			95.185%	23.36668	4.39437
7/1/08	4.00%		95.185%	24.25634	4.56168
10/1/08			95.185%	24.25634	4.56168
1/1/09			95.185%	24.25634	4.56168
4/1/09			95.185%	24.25634	4.56168
7/1/09			95.185%	24.25634	4.56168

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				32.82204	6.39405
12/31/07 Industry Rate				33.03246	6.43505
1/1/08			0.000%	33.03246	6.43505
4/1/08			0.000%	33.03246	6.43505
7/1/08	Each railroad has been benchmarked as independent even though a national agreement was signed 9/1/07		0.000%	33.03246	6.43505
10/1/08			0.000%	33.03246	6.43505
1/1/09			0.000%	33.03246	6.43505
4/1/09			0.000%	33.03246	6.43505
7/1/09			0.000%	33.03246	6.43505

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				27.35210	7.53365
12/31/07 Industry Rate				27.39953	7.54672
1/1/08		0.16000	47.905%	27.47617	7.56783
4/1/08			47.905%	27.47617	7.56783
7/1/08		0.26000	47.905%	27.60073	7.60213
10/1/08			47.905%	28.70696	7.90683
1/1/09			47.905%	28.70696	7.90683
4/1/09			47.905%	28.70696	7.90683
7/1/09			47.905%	28.70696	7.90683

New contract removes COLAs beginning
7/1/05 and adds four retro G W I

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2007 Industry Avg.				42.23703	1.70106
12/31/07 Industry Rate				42.23703	1.70106
1/1/08	3.00%		100.000%	43.50414	1.75209
4/1/08			100.000%	43.50414	1.75209
7/1/08			100.000%	43.50414	1.75209
10/1/08			100.000%	43.50414	1.75209
1/1/09	4.00%		100.000%	45.24431	1.82217
4/1/09			100.000%	45.24431	1.82217
7/1/09			100.000%	45.24431	1.82217

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2007 AVG			344.95611	70.67859
12/31/07			348.02814	
		1127.119%		
		ok matches	ok matches	ok matches
			ok matches	

Should match check sum on National
Increase Applicability for U S. Total page

All three should match
check sums on U S
Benchmark page

National Increase Applicability for U.S. Total

Union	Year 2007 ST Hours Pd	Not Part of National Agreements*														U.S.	
		CSX (E)	BLE (E)	DMIR (E)	GTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)	ST Hours Pd	Percent National Contract
UTU	88,357,885	-	32,871	125,089	534,681	1,381,488	144,262	75,045	652,185	-	-	-	-	1,302,037	-	82,110,289	95.081%
TCU	14,822,715	-	13,488	128,915	249,531	512,157	1,792	27,438	114,983	-	-	-	-	414,190	-	13,460,245	90.200%
BLET	61,150,821	11,055,703	18,568	68,117	392,889	888,334	109,763	72,215	588,881	9,863,226	15,827,322	-	-	1,100,472	-	21,378,350	34.962%
SNW	1,940,858	-	0	1,752	0	34,385	0	0	0	0	-	-	-	3,495	-	1,901,323	97.958%
BRS	12,078,365	-	9,722	0	101,888	234,021	29,276	12,890	123,788	-	-	-	-	103,451	-	11,464,549	94.910%
BHWE	48,101,997	-	48,982	0	382,757	971,964	169,233	0	954,290	-	-	-	-	843,827	-	42,730,944	92.688%
TCU-CAR	20,521,407	-	25,950	49,607	204,043	505,574	22,374	21,911	314,759	-	-	-	-	300,842	-	19,076,347	92.958%
IBFO	4,542,803	-	1,822	0	31,471	81,293	1,792	0	48,046	-	-	-	-	72,240	-	4,353,985	95.848%
IAM	12,707,308	-	10,581	40,554	22,918	288,044	7,511	3,634	0	-	-	-	-	168,513	-	12,135,527	95.500%
IBBM	1,992,539	-	0	1,800	0	56,747	4,033	0	0	-	-	-	-	58,495	-	1,871,464	93.924%
IBEW	9,594,484	-	8,371	64,191	33,143	187,180	11,278	3,690	42,359	-	-	-	-	111,314	-	9,122,948	95.185%
ATDA	4,469,790	716,322	0	1,944	26,656	86,330	0	7,032	890,054	1,228,226	-	-	71,279	83,642	1,302,969	0	0.000%
UTU-YMC	3,820,368	1,137,801	0	0	62,757	80,838	0	0	42,852	-	-	-	-	77,022	484,754	1,734,344	47.905%
OTHER	51,143,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,143,885	100.000%
TOTAL	331,135,912	12,909,826	170,334	479,988	2,042,474	5,288,333	501,304	223,843	0	2,918,459	10,753,280	16,855,548	71,279	4,640,540	1,787,723	272,485,000	
Sum (for proofing)																	1127.119%

* In some cases, a railroad union is part of the national agreement but is being benchmarked as independent in anticipation of future independent agreements or because of a variation in their interpretation of the agreement

Statistics based on AAR's 2007 112-Class Wage Statistics and knowledge of contracts as of August 2008

Percentages are full float

ATDA (dispatchers) are independent for each railroad Although BNSF, CSX, and KCS are participating in a national agreement, they are benchmarked as independent NS is participating for H&W only UP is non-union
IC & UP dispatchers are non-union, and given same increases as non-union, but handled independently

U.S. 2007 Benchmark

	From AAR 112-Class Wage Statistics & Survey				ST \$ Adjusted to Exclude Lump Sums	2007 Average Hourly Rates		12/31/2007 ST HR	ST Hrs. 2007 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum		ST wo LS			
						PFTNW	PFTNW		
UTU	86,357,895	\$1,852,772,963	\$644,432,559	\$2,006,022	\$1,850,766,941	\$21,431	\$7,462	\$21,488	0.26079
TCU	14,922,715	342,457,005	79,387,499	3,949,964	338,507,041	22,684	5,320	23,002	0.04507
BLET	61,150,821	1,556,216,013	603,059,765	91,354,933	1,464,861,080	23,955	9,862	24,126	0.18467
SMWIA	1,940,955	44,000,512	8,183,988	10,161	43,990,351	22,664	4,216	22,994	0.00586
BRS	12,079,365	295,173,634	70,754,176	169,884	295,003,750	24,422	5,857	24,776	0.03648
BMWE	46,101,997	982,319,021	180,430,448	659,603	981,659,418	21,293	3,914	21,600	0.13922
TCU-CAR	20,521,407	454,718,600	83,235,556	449,453	454,269,147	22,136	4,056	22,455	0.06197
NCFO	4,542,603	83,734,823	14,616,068	56,389	83,678,434	18,421	3,218	18,689	0.01372
IAM	12,707,308	279,543,424	50,396,963	37,868	279,505,556	21,996	3,966	22,057	0.03837
IBBM	1,992,539	40,953,487	5,670,058	101,321	40,852,166	20,503	2,846	20,805	0.00602
IBEW	9,584,464	220,966,214	41,528,260	143,232	220,822,982	23,040	4,333	23,367	0.02894
ATDA	4,469,790	152,300,687	28,580,082	5,593,070	146,707,617	32,822	6,394	33,032	0.01350
UTU-YMD	3,620,368	101,015,301	27,274,599	1,990,631	99,024,670	27,352	7,534	27,400	0.01093
OTHER	51,143,685	2,160,157,429	86,998,315	0	2,160,157,429	42,237	1,701	42,237	0.15445
AAR 112 Total	331,135,912	8,566,329,113	1,924,548,336	106,522,531	8,459,806,582	25,548	5,812	25,707	1.00000
Sum (for proofing)						344 95611	70 67859	348,02814	

Year-End Figures are calculated, based on 2007 WS-112 and union contracts, in YearEnd2007_final.xls exhibited in document titled "Year-End 2007 ST Hourly Rates for U.S."

The ST Hours Weights and the Hourly Rates are full float

0.30%

CREDIT MARKETS

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Jan. Index level	CHG FROM (K)	Dec. '08	Jan. '09
U.S. consumer price index				
All items	211.143	0.4		
Core	216.719	0.3	1.7	

International rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Prime rates				
U.S.	3.25	3.25	6.00	3.25
Canada	3.00	3.00	5.75	3.00
Euro zone	2.00	2.00	4.25	2.00
Japan	1.05	1.05	1.875	1.05
Switzerland	0.52	0.52	4.37	0.52
Britain	1.00	1.00	5.25	1.00
Australia	3.25	3.25	7.25	3.25
Hong Kong	5.25	5.00	7.00	5.00

Overnight repurchase

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
U.S.	0.28	0.33	2.90	0.08
U.K. (BBA)	0.825	1.275	5.742	0.825
Euro zone	1.26	1.24	4.50	1.10

U.S. government rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Discount				
	0.50	0.50	3.50	0.50

Federal funds

	Effective rate	0.23	0.24	3.47	0.12
High	0.4500	0.3750	10.0000	0.3750	
Low	0.1250	0.1250	2.8750	0.0000	
Bid	0.1250	0.2500	3.5000	0.0000	
Offer	0.3125	0.3125	7.0000	0.0500	

Treasury bill auction

	4 weeks	13 weeks	26 weeks	52 weeks
	0.250	0.250	2.360	0.000
	0.300	0.340	2.160	0.005
	0.495	0.480	2.350	0.250

Secondary market

Freddie Mac

	30-year mortgage yields	30 days	60 days	90 days
	4.65	4.70	6.49	3.98
	4.74	4.80	6.56	4.14
One-year RNY	3.375	3.375	3.375	3.375

Fannie Mae

	30-year mortgage yields	30 days	60 days	90 days
	4.645	4.594	6.566	4.099
	4.737	4.690	6.618	4.186

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Bankers acceptances				
30 days	0.50	0.55	5.13	0.45
60 days	0.93	0.93	5.13	0.60
90 days	1.25	1.05	5.00	0.75
120 days	1.43	1.30	5.00	0.95
150 days	1.53	1.40	5.00	0.95
180 days	1.65	1.70	5.00	1.25

Other short-term rates

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Call money	2.00	2.00	4.75	2.00
Commercial paper				
30 to 30 days	0.38			
31 to 59 days	0.44			
60 to 89 days	0.38			
90 to 119 days	0.45			
120 to 149 days	0.53			
150 to 179 days	0.62			
176 to 180 days	0.64			
181 to 210 days	n.a.			

Dealer commercial paper

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
30 days	0.74	0.72	5.95	0.49
60 days	1.09	1.07	5.95	0.69
90 days	1.34	1.27	5.95	0.84

Euro commercial paper

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
30 day	1.15	1.15	4.75	1.13
Two month	1.31	1.28	4.80	1.28
Three month	1.44	1.63	5.00	1.62
Four month	1.71	1.70	5.00	1.70
Five month	1.74	1.75	5.02	1.74
Six month	1.77	1.79	5.07	1.77

London interbank offered rate, or Libor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.47375	0.46500	4.58750	0.32875
Three month	1.24875	1.24563	4.81875	1.08250
Six month	1.75125	1.76438	4.39375	1.46500
One year	2.06125	2.08938	4.23375	1.73750

Notes on data:

U.S. prime rate and discount rate are effective December 16, 2008. U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks. Other prime rates aren't directly comparable, lending practices vary widely by location. Discount rate is the charge on loans to depository institutions by the New York Federal Reserve Bank. Federal funds rate is on reserves traded among commercial banks for overnight use in amounts of \$1 million or more. Call money rate is the charge on loans to brokers on stock-exchange collateral. Dealer commercial paper rates are for high-grade unsecured notes sold through dealers by major corporations; Freddie Mac RNY is the required net yield for the one-year 25 rate-capped ARM. Libor is the British Bankers' Association average of interbank offered rates for dollar deposits in the London market. Libor swaps quoted are mid-market, semi-annual swap rates and pay the floating 3-month Libor rate. New York Funding Rate is the survey-based average of unsecured bank funding costs.

Sources: Merrill Lynch, Bureau of Labor Statistics, ICAP plc., Thomson Reuters, General Electric Capital Corp., Tullett Prebon Information, Ltd.

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones indexes.

February 23, 2009

New York Funding Rate

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.5250	0.5156	4.8273	0.3348
Three month	1.2942	1.2822	4.9000	1.0420

Libor Swaps (USD)

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
Two year	1.576	1.647	3.978	1.257
Three year	1.931	2.007	4.325	1.542
Five year	2.459	2.581	4.661	1.903
Ten year	3.020	3.141	4.968	2.304
20 year	3.222	3.396	5.200	2.438
30 year	3.398	3.375	5.248	2.365

Euro Libor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	1.565	1.593	5.186	1.565
Three month	1.848	1.923	5.391	1.868
Six month	1.975	2.018	5.438	1.975
One year	2.073	2.123	5.514	2.073

Euro interbank offered rate (Euribor)

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	1.571	1.613	5.197	1.571
Three month	1.867	1.927	5.393	1.867
Six month	1.975	2.013	5.448	1.975
One year	2.074	2.118	5.526	2.074

Hibor

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.174	0.171	4.993	0.149
Three month	0.778	0.771	4.442	0.751
Six month	1.117	1.126	4.100	1.100
One year	1.567	1.592	3.950	1.550

Asian dollars

	Latest	Week ago	-52-WEEK-High	-52-WEEK-Low
One month	0.470	0.474	4.588	0.328
Three month	1.242	1.244	4.780	1.086
Six month	1.732	1.760	4.438	1.450
One year	2.050	2.095	5.408	1.708

	LATEST	Week ago	-52-WEEK-High	-52-WEEK-Low
Offer				

Eurodollars (mid rates)

One month	0.40	0.85	0.60	6.25	0.45
Two month	0.70	1.20	0.95	5.50	0.70
Three month	1.00	1.50	1.13	5.75	0.90
Four month	1.25	1.50	1.33	5.25	1.03
Five month	1.30	1.70	1.43	5.25	1.13
Six month	1.40	1.85	1.63	5.25	1.38

Citigroup Inc. 0.125% notes due May 1 yielding 8.803%

Citigroup is in talks that could lead to the government expanding its stake in Citi.

	Dec	Jan	Feb
2009			

Investment-grade spreads that tightened

Issuer	Symbol	Coupon (%)
Deutsche Telekom Intl Finance	DT	5.375
US Bank NA	USB	6.375
Wells Fargo	WFC	5.300
Goldman Sachs Capital	GS	6.345
Merrill Lynch	ML	6.050
Wyeth	WYE	6.950
Kellogg	K	5.125
Procter & Gamble	PG	3.500

And spreads that widened the most

Issuer	Symbol	Coupon (%)
Wells Fargo	WFC	5.250
HSBC Holdings	HSBC	6.500
Citigroup	C	6.000
JPMorgan Chase	JPM	5.125
Credit Suisse	CS	6.500
Hartford Financial Services	HFG	5.375
Devon Energy	DVN	5.625
Koninklijke Philips Electronics	PHG	6.875

High-yield issues with the biggest price

Issuer	Symbol	Coupon (%)
Terex	TEX	7.375
MGM MIRAGE	MGM	6.625
Constellation Brands	STZ	7.250
Lamar Media	LAMR	7.250
Sungard Data Systems	SOSN	10.250
Williams Partners	WPZ	7.500
KB Home	KBH	6.375
Allied Capital	ALD	6.000

And with the biggest price decreases

Issuer	Symbol	Coupon (%)
Devita	DVA	6.625
Energy Future Holdings	TXU	10.875
Sellat	SELA	9.750
Chiquita Brands International	CQB	7.500
Dynegy	DYN	8.375
Mediacom Broadband	MOCC	8.500
Chesapeake Energy	CHK	6.500
El Paso	EP	8.250

* Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year. Data are for the most active issue of bonds with maturi

**RCAF Lump Sum Amortization
2009/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
CNGT - various ¹	Various	2008Q3	\$48,000	0.00014	0.00058	331,135,912	2007
BLE - TCU	2008Q3	2008Q4	\$8,000	0.00002	0.00010	331,135,912	2007
CSX - ATDA-East	2008Q1	2008Q4	\$918,238	0.00277	0.01109	331,135,912	2007
IC and CCP - TCU	2008Q3	2009Q1	\$282,000	0.00085	0.00341	331,135,912	2007
NS - BLET signing bonus	2008Q4	2009Q1	\$23,876,000	0.07210	0.28841	331,135,912	2007
NS - BLET & ATDA	2009Q2	2009Q2	\$45,772,356	0.13823	0.55291	331,135,912	2007
CSX - BLET	2009Q2	2009Q2	\$31,695,082	0.09572	0.38286	331,135,912	2007
Total			\$102,599,676	0.30984			

Should be slightly less
than amortized amount

Fell out

GTW - TCU-CAR	2008Q2	2008Q2	\$90,000	0.00027	0.00109	331,135,912	2007
NS - BLET & ATDA	2008Q2	2008Q2	\$18,270,799	0.05518	0.22070	331,135,912	2007
CSX - BLET	2008Q2	2008Q2	\$20,528,547	0.06199	0.24798	331,135,912	2007

Interest Rate

2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	4.600
2008/Q1	3.390
2008/Q2	2.160
2008/Q3	1.870
2008/Q4	1.710
2009/Q1	0.150
2009/Q2	0.300
2009/Q3	
2009/Q4	

Lump Sum Adjustment for 2009/Q2 → **0.310414**
or
0.310

¹ DWP TCU-CAR, GTW BLET, and GTW TCU

² DMIR TCU-CAR and GTW IBEW

SCHEDULE: CNGT various (DMIR TCU-CAR and GTW IBEW)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00058			
2008/Q3	4	1.870	0.4675	\$0.00044	\$0.00015	\$0.00000	\$0.00014
2008/Q4	3	1.710	0.4275	\$0 00029	\$0.00015	\$0.00000	\$0 00014
2009/Q1	2	0.150	0.0375	\$0 00015	\$0.00015	\$0 00000	\$0.00015
2009/Q2	1	0.300	0.0750	\$0.00000	\$0.00015	\$0.00000	\$0 00015

SCHEDULE: BLE TCU

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00010			
2008/Q4	4	1.710	0.4275	\$0.00007	\$0.00002	\$0.00000	\$0.00002
2009/Q1	3	0.150	0.0375	\$0.00005	\$0 00002	\$0 00000	\$0 00002
2009/Q2	2	0.300	0.0750	\$0.00002	-\$0.00002	-\$0.00000	\$0.00002
2009/Q3	1		0.0000	\$0.00000	\$0 00002	\$0 00000	\$0 00002

SCHEDULE: CSX ATDA-East

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qty Int Rate	Principal Balance After Payment	Qty Payment	Interest Payment	Principal Payment
Lump Sum				\$0.01109			
2008/Q4	4	1.710	0.4275	\$0.00834	\$0 00280	\$0.00005	\$0.00276
2009/Q1	3	0.150	0.0375	\$0.00556	\$0 00278	\$0.00000	\$0 00278
2009/Q2	2	0.300	0.0750	\$0.00278	\$0.00278	\$0.00000	\$0.00278
2009/Q3	1		0.0000	\$0.00000	\$0.00278	\$0.00000	\$0.00278

SCHEDULE: IC and CCP TCU

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00341			
2009/Q1	4	0.150	0 0375	\$0.00256	\$0 00085	\$0.00000	\$0 00085
2009/Q2	3	0.300	0 0750	\$0.00170	\$0.00085	\$0.00000	\$0.00085
2009/Q3	2		0 0000	\$0.00085	\$0.00085	\$0.00000	\$0.00085
2009/Q4	1		0.0000	\$0 00000	\$0.00085	\$0 00000	\$0 00085

SCHEDULE: NS BLET

Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 28841			
2009/Q1	4	0 150	0.0375	\$0 21635	\$0.07217	\$0.00011	\$0 07206
2009/Q2	3	0.300	0.0750	\$0.14429	\$0.07223	\$0.00016	\$0 07206
2009/Q3	2		0.0000	\$0 07214	\$0.07214	\$0.00000	\$0 07214
2009/Q4	1		0 0000	\$0.00000	\$0 07214	\$0 00000	\$0.07214

SCHEDULE: NS BLET & ATDA

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.55291			
2009/Q2	4	0.300	0.0750	\$0.41484	\$0.13849	\$0 00041	\$0.13807
2009/Q3	3		0.0000	\$0 27656	\$0.13828	\$0 00000	\$0.13828
2009/Q4	2		0.0000	\$0.13828	\$0.13828	\$0.00000	\$0 13828
2010/Q1	1		0.0000	\$0.00000	\$0 13828	\$0 00000	\$0 13828

SCHEDULE: CSX BLET

Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.38286			
2009/Q2	4	0.300	0.0750	\$0.28726	\$0.09590	\$0.00029	\$0.09561
2009/Q3	3		0.0000	\$0.19150	\$0.09575	\$0.00000	\$0.09575
2009/Q4	2		0.0000	\$0.09575	\$0.09575	\$0.00000	\$0.09575
2010/Q1	1		0.0000	\$0.00000	\$0.09575	\$0.00000	\$0.09575

CSXT
BLET

A-1. Yes.

ARTICLE 5 - PERFECT ATTENDANCE STOCK AWARD

A. Effective with the date of this Agreement, all eligible CSXT Engineers will be entitled to an award of twenty (20) shares of CSX Corporation Common Stock for every six (6) months of perfect weekend attendance. The sixth month periods begin January 1 and July 1 each year.

B. Perfect weekend attendance is defined as one hundred percent (100%) availability on Friday, Saturday and Sunday during a consecutive six (6) month period. Rest days are considered as being available for service. Any other non-compensated mark offs will be considered as unavailable. Recipients of this award will have such shares placed in their 401(k) account. Those awardees who do not have a 401(k) account will receive the cash equivalent of said stock based on the closing price of CSX stock on the last day of the semi-annual period.

ARTICLE 6 - PERFORMANCE BONUS PROGRAM

A. The parties agree that Engineers represented by the Brotherhood of Locomotive Engineers and Trainmen (BLET) will be eligible for a bonus payment under the Performance Bonus Program (PBP) established in this Agreement for the periods and on the basis set forth below.

1. Effective January 1, 2007 and payable in 2008, locomotive Engineers will be eligible for a bonus up to a maximum of six percent (6%) of their locomotive Engineer earnings in 2007, calculated in accordance with paragraph B below.

2. Effective January 1, 2008 and payable in 2009, locomotive Engineers will be eligible for a bonus up to a maximum of eight percent (8%) of their locomotive Engineer earnings in 2008, calculated in accordance with paragraph B below.

3. Effective January 1, 2009 and payable in 2010, locomotive Engineers will be eligible for a bonus up to a maximum of ten percent (10%) of their locomotive Engineer earnings in 2009, calculated in accordance with paragraph B below.

4. If the BLET does not exercise its right to cancel participation in the Bonus Program under paragraph F below, all locomotive Engineers will be eligible, effective January 1, 2010 and annually thereafter, for a bonus of twelve percent (12%) in 2010 and increasing to fifteen percent (15%) at the end of the next contract of their locomotive Engineer earnings in that year, payable in the following year, calculated in accordance with paragraph B below, except that locomotive Engineers who achieve a BLET seniority date on or after January 1, 2010 will be eligible in 2010 for this bonus up to a maximum of ten percent (10%) of their locomotive Engineer earnings in 2010, calculated in accordance with paragraph B below, with a one percent (1%) increase in that level each subsequent year until they reach a maximum level negotiated for locomotive Engineers. Locomotive Engineers who achieve a BLET seniority date by

Section 3 - Second General Wage Increase

Effective July 1, 2003, each basic monthly rate of pay in effect on June 30, 2003 for employees covered by this Agreement shall be increased in the amount of two and one-half percent (2 ½ %) representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 4 - Third General Wage Increase

Effective July 1, 2004, each basic monthly rate of pay in effect on June 30, 2004 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

ARTICLE II

Part I - Transfer Time

Effective January 1, 2005, existing agreements are amended to provide that an employee covered by this Agreement shall receive an allowance for all time consumed immediately prior or subsequent to the employee's regular tour of duty that is (i) required by the Carrier, and (ii) directly involves the transition of ongoing work responsibilities between shifts. Such allowance shall not exceed an amount equal to fifteen (15) minutes' time at the straight time rate of pay.

Part II - Thoroughbred Performance Bonus Program Participation

The Parties agree that employees represented by ATDD/BLE will participate in the Norfolk Southern Thoroughbred Performance Bonus Program for the periods and on the basis set forth below:

Section 1

- (a) Effective January 1, 2005 and payable in 2006 train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of five percent (5%) of their dispatcher earnings in the preceding calendar year.
- (b) Effective January 1, 2006 and payable in 2007 train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of five percent (5%) of their dispatcher earnings in the preceding calendar year.
- (c) Effective January 1, 2007 and payable in 2008, and each year thereafter, train dispatchers represented by the undersigned General Chairmen will be eligible for a bonus up to a maximum of ten percent (10%) of their dispatcher earnings in the preceding calendar year.

NS BLET

AGREEMENT

It is HEREBY AGREED this 1st day of November 2003.

ARTICLE I - THOROUGHBRED PERFORMANCE BONUS**Section 1**

Effective January 1, 2003, and payable in 2004 and 2005 locomotive engineers represented by the undersigned General Committees will be eligible for a bonus up to a maximum fifteen percent (15%) of their engineer earnings in the preceding calendar year.

Section 2

Effective January 1, 2005 and payable in 2006, 2007 and 2008 locomotive engineers represented by the undersigned General Committees will be eligible for a bonus up to a maximum of ten (10%) of their engineer earnings in the preceding calendar year.

Section 3

Effective January 1, 2008 and payable in 2009 and each year thereafter, locomotive engineers represented by the undersigned General Committees will be eligible for a bonus up to a maximum fifteen percent (15%) of their engineer earnings in the preceding calendar year.

Section 4

The terms and conditions for the administration of the Thoroughbred Performance Bonus remain as specified in Article I, Sections 3 and 4 of the June 1996 Agreement between the parties, subject to the maximums stated in Sections 1, 2 and 3 above.

Section 5

The Brotherhood of Locomotive Engineers shall have the unilateral right to accept wage increases as provided in Side Letter 1 in lieu of the bonus provided for by Section 3 of this Article I effective on and after January 1, 2010 by providing written notice to the Carrier of its intention to do so between November 1, 2009 and November 30, 2009.

**RCAF Back Pay Amortization
2009/Q2**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr	U.S. ST Hours	
IC - BMW (ECS offset)	2008Q3	2008Q3	(\$236,250)	-0 00071345	-0 00285	331,135,912	2007
GTC/CN - various ¹	Various	2008Q3	\$4,693,403	0 01417365	0 05669	331,135,912	2007
UP - UTU-YMD (new contract)	2008Q2	2008Q3	\$3,445,994	0 01040658	0 04163	331,135,912	2007
SOO - new BRS, IBEW NCFO SMW	2008Q2	2008Q3	\$495,002	0 00149486	0 00598	331,135,912	2007
National UTU & UTU-YMD	2008Q3	2008Q4	\$248,263,064	0 74973162	2 99893	331,135,912	2007
BNSF - ATDA	2008Q3	2008Q4	\$531,401	0 00160478	0 00642	331,135,912	2007
GTC/CN - various ²	2008Q3	2008Q4	\$2,310,514	0 00697754	0 02791	331,135,912	2007
GTC/CN (ECS) - various ³	Various	2008Q4	\$37,288	0 00011261	0 00045	331,135,912	2007
SOO - TCU-CAR & UTU YMD	2008Q3	2008Q4	\$1,016,782	0 00307059	0 01228	331,135,912	2007
National IAM	2008Q4	2009Q1	\$31,263,259	0 09441217	0 37765	331,135,912	2007
SOO - IAM & UTU	2008Q3	2009Q1	\$3,239,631	0 00978339	0 03913	331,135,912	2007
GTC/CN - various ⁴	Various	2009Q1	\$2,147,112	0 00648408	0 02594	331,135,912	2007
CSX - UTU-YMD (national)	2008Q3	2009Q1	\$5,362,086	0 01619301	0 06477	331,135,912	2007
GTW - BMW (ECS offset)	2009Q2	2009Q2	(\$124,812)	-0 00037692	-0 00151	331,135,912	2007
Total			\$302,444,472	0 91335449			

Should be slightly less
than amortized amount

Fell out

UP - ATDA	2008Q2	2008Q2	\$312,309	0 00094315	0 00377	331,135,912	2007
UP - UTU-YMD	2008Q2	2008Q2	(\$21,285)	-0 00006428	-0 00026	331,135,912	2007
GTW - TCU-CAR	2008Q2	2008Q2	\$1,079,857	0 00326107	0 01304	331,135,912	2007

Interest Rate

2007/Q1	4 940
2007/Q2	5 035
2007/Q3	4 775
2007/Q4	4 600
2008/Q1	3 390
2008/Q2	2 160
2008/Q3	1.870
2008/Q4	1 710
2009/Q1	0.150
2009/Q2	0 300
2009/Q3	
2009/Q4	

Back Pay Adjustment for 2009/Q2

→ 0.91633

or

0.916

¹ DMIR TCU-CAR, GTW IBEW, IC IBEW, SMW and UTU (including CCP)

² BLE TCU; GTW BME

³ BLE BLET and UTU, GTW ATDA and BLET

⁴ DMIR IBEW and UTU, IC and CCP TCU

SCHEDULE: IC BMW (ECS offset)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0 00285)			
2008/Q3	4	1 870	0 4675	(\$0.00215)	(\$0 00072)	(\$0 00001)	(\$0 00071)
2008/Q4	3	1 710	0 4275	(\$0 00143)	(\$0 00072)	(\$0 00001)	(\$0 00071)
2009/Q1	2	0 150	0 0375	(\$0 00072)	(\$0 00072)	(\$0 00000)	(\$0 00072)
2009/Q2	1	0 300	0 0750	(\$0 00000)	(\$0.00072)	(\$0 00000)	(\$0 00072)

SCHEDULE: DMIR TCU-CAR; GTW IBEW; IC IBEW, SMW and UTU *(including CCP)*

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 05669			
2008/Q3	4	1 870	0 4675	\$0 04262	\$0 01434	\$0 00027	\$0 01407
2008/Q4	3	1 710	0 4275	\$0 02847	\$0 01433	\$0 00018	\$0 01415
2009/Q1	2	0 150	0 0375	\$0.01424	\$0 01424	\$0 00001	\$0 01423
2009/Q2	1	0 300	0 0750	\$0 00000	\$0.01425	\$0 00001	\$0 01424

SCHEDULE: UP UTU-YMD (new contract)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 04163			
2008/Q3	4	1 870	0 4675	\$0 03129	\$0 01053	\$0 00019	\$0 01033
2008/Q4	3	1.710	0 4275	\$0 02091	\$0 01052	\$0 00013	\$0 01039
2009/Q1	2	0 150	0 0375	\$0 01046	\$0 01046	\$0 00001	\$0 01045
2009/Q2	1	0 300	0 0750	\$0 00000	\$0.01046	\$0.00001	\$0 01046

SCHEDULE: SOO BRS, IBEW, NCFO, SMW (new contracts)

Added 2008Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00598			
2008/Q3	4	1 870	0 4675	\$0 00450	\$0 00151	\$0.00003	\$0 00148
2008/Q4	3	1 710	0 4275	\$0 00300	\$0 00151	\$0 00002	\$0 00149
2009/Q1	2	0 150	0 0375	\$0 00150	\$0 00150	\$0 00000	\$0 00150
2009/Q2	1	0 300	0 0750	\$0 00000	\$0.00150	\$0 00000	\$0 00150

SCHEDULE: National UTU and UTU-YMD (new contracts)

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$2 99893			
2008/Q4	4	1 710	0 4275	\$2 25399	\$0 75776	\$0 01282	\$0 74494
2009/Q1	3	0 150	0 0375	\$1 50294	\$0 75189	\$0 00085	\$0 75105
2009/Q2	2	0 300	0.0750	\$0 75175	\$0.75231	\$0 00113	\$0 75119
2009/Q3	1		0 0000	\$0 00000	\$0 75175	\$0 00000	\$0 75175

SCHEDULE: BNSF ATDA

Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00642			
2008/Q4	4	1.710	0 4275	\$0 00482	\$0 00162	\$0 00003	\$0 00159
2009/Q1	3	0 150	0 0375	\$0 00322	\$0 00161	\$0 00000	\$0 00161
2009/Q2	2	0 300	0 0750	\$0 00161	\$0.00161	\$0 00000	\$0 00161
2009/Q3	1		0 0000	\$0 00000	\$0 00161	\$0 00000	\$0 00161

SCHEDULE: BLE TCU and GTW BMW (new contracts)
 Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 02791			
2008/Q4	4	1.710	0.4275	\$0 02098	\$0 00705	\$0 00012	\$0 00693
2009/Q1	3	0.150	0.0375	\$0 01399	\$0 00700	\$0 00001	\$0 00699
2009/Q2	2	0.300	0.0750	\$0 00700	\$0.00700	\$0 00001	\$0 00699
2009/Q3	1		0.0000	\$0 00000	\$0 00700	\$0 00000	\$0 00700

SCHEDULE: BLE BLET and UTU; GTW BLET (ECS offset)
 Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00045			
2008/Q4	4	1.710	0.4275	\$0 00034	\$0 00011	\$0 00000	\$0 00011
2009/Q1	3	0.150	0.0375	\$0 00023	\$0 00011	\$0 00000	\$0 00011
2009/Q2	2	0.300	0.0750	\$0 00011	\$0.00011	\$0 00000	\$0 00011
2009/Q3	1		0.0000	\$0 00000	\$0 00011	\$0 00000	\$0 00011

SCHEDULE: SOO TCU-CAR and UTU-YMD (new contracts)
 Added 2008Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 01228			
2008/Q4	4	1.710	0.4275	\$0 00923	\$0 00310	\$0 00005	\$0 00305
2009/Q1	3	0.150	0.0375	\$0 00616	\$0 00308	\$0 00000	\$0 00308
2009/Q2	2	0.300	0.0750	\$0 00308	\$0.00308	\$0.00000	\$0 00308
2009/Q3	1		0.0000	\$0 00000	\$0 00308	\$0 00000	\$0 00308

SCHEDULE: National IAM
 Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.37765			
2009/Q1	4	0 150	0 0375	\$0 28329	\$0 09450	\$0 00014	\$0 09436
2009/Q2	3	0 300	0 0750	\$0 18893	\$0.08457	\$0 00021	\$0 09436
2009/Q3	2		0 0000	\$0 09447	\$0 09447	\$0 00000	\$0 09447
2009/Q4	1		0 0000	\$0 00000	\$0 09447	\$0 00000	\$0 09447

SCHEDULE: SOO IAM (changes from Interim) and UTU
 Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 03913			
2009/Q1	4	0 150	0 0375	\$0 02936	\$0 00979	\$0 00001	\$0 00978
2009/Q2	3	0 300	0 0750	\$0 01958	\$0.00980	\$0 00002	\$0 00978
2009/Q3	2		0 0000	\$0 00979	\$0 00979	\$0 00000	\$0 00979
2009/Q4	1		0 0000	\$0 00000	\$0 00979	\$0 00000	\$0 00979

SCHEDULE: DMIR IBEW & UTU; IC and CCP TCU
 Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 02594			
2009/Q1	4	0 150	0 0375	\$0 01946	\$0 00649	\$0 00001	\$0 00648
2009/Q2	3	0 300	0 0750	\$0 01298	\$0.00650	\$0 00001	\$0 00648
2009/Q3	2		0.0000	\$0 00649	\$0 00649	\$0 00000	\$0 00649
2009/Q4	1		0 0000	\$0 00000	\$0 00649	\$0 00000	\$0 00649

SCHEDULE: CSX UTU-UMD (national)
 Added 2009Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 06477			
2009/Q1	4	0 150	0 0375	\$0 04859	\$0 01621	\$0 00002	\$0 01618
2009/Q2	3	0 300	0 0750	\$0.03240	\$0.01622	\$0 00004	\$0 01618
2009/Q3	2		0 0000	\$0 01620	\$0 01620	\$0 00000	\$0 01620
2009/Q4	1		0 0000	\$0 00000	\$0 01620	\$0 00000	\$0 01620

SCHEDULE: GTW BMW (ECS offset)
 Added 2009Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0 00151)			
2009/Q2	4	0 300	0 0750	(\$0.00113)	(\$0.00038)	(\$0 00000)	(\$0 00038)
2009/Q3	3		0 0000	(\$0 00075)	(\$0 00038)	\$0 00000	(\$0 00038)
2009/Q4	2		0 0000	(\$0 00038)	(\$0 00038)	\$0 00000	(\$0 00038)
2010/Q1	1		0 0000	\$0 00000	(\$0 00038)	\$0 00000	(\$0 00038)

Health and Welfare

	Employees Receiving				
	Pay 2007	Monthly Contribution		Total 2007 Avg	Total 2009
		2007 Avg	2009		
1 All Employees					
a. Group health	175,741	\$1,097 66	\$1,112 21	\$192,903,866 06	\$195,460,897 61
b. Group dental	175,741	47 14	56 31	8,284,430 74	9,895,975 71
c. Early retirement major medical	175,741	89 06	117 56	15,651,493 46	20,660,111 96
d. Group vision	175,741	10 70	10 16	1,880,428 70	1,785,528 56
2 Supplemental Sickness					
a. Signalmen	6,524	32 06	8 55	209,159 44	55,780 20
b. Shopcrafts	25,894	61 06	30 04	1,581,087 64	777,855 76
c. MOW	26,021	36.06	14 89	938,317 26	387,452.69
d. Yardmasters	2,132	41 13	28 89	87,689 16	61,593 48
3 Short-Term Disability					
a. Engineers (CSX, KCS, UP)	15,664	40 00	40 00	626,560 00	626,560 00
b. Engineers (SOO, \$40 began 2Q 2006)	494	40 00	40 00	19,760 00	19,760 00
4 Monthly Total Premiums				222,182,792 46	229,731,515 97
5 Monthly Employee Contributions To H&W					
a. National BLET (BNSF, CSX, KCS, NS, UP)	28,594	(\$156 44)	(\$170 96)	(\$4,473,245 36)	(\$4,888,430 24)
b. National BMW (BNSF, CSX, KCS, NS, UP)	24,164	(\$83 13)	(\$170 96)	(\$2,008,753 32)	(4,131,077 44)
c. National BRS (BNSF, CSX, KCS, NS, UP)	6,189	(\$133 13)	(\$170 96)	(\$823,941 57)	(1,058,071 44)
d. National IAM (BNSF, CSX, KCS, NS, UP)	6,771	(\$127 48)	(\$170 96)	(\$863,167 08)	(1,157,570 16)
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,025	(\$151 95)	(\$170 96)	(\$155,748 75)	(175,234 00)
f. National IBEW (BNSF, CSX, KCS, NS, UP)	5,039	(\$154 29)	(\$170 96)	(\$777,467.31)	(861,467 44)
g. National NCFO (BNSF, CSX, KCS, NS, UP)	2,461	(\$156.39)	(\$170 96)	(\$384,875 79)	(420,732 56)
h. National SMW (BNSF, CSX, KCS, NS, UP)	1,069	(\$156 39)	(\$170 96)	(\$167,180 91)	(182,756 24)
i. National TCU (BNSF, CSX, KCS, NS, UP)	7,835	(\$147 24)	(\$170 96)	(\$1,153,625 40)	(1,339,471 60)
j. National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,617	(\$147 47)	(\$170 96)	(\$1,565,688 99)	(1,815,082 32)
k. National UTU (BNSF, CSX, KCS, NS, UP)	43,923	(\$154 66)	(\$170 96)	(\$6,793,131 18)	(7,509,076 08)
l. National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,715	(\$151 30)	(\$170 96)	(\$259,479 50)	(293,196 40)
m. National ATDA (wt. avg. BNSF, KCS, NS, & CSX*)	1,835	(\$152 37)	(\$170 96)	(\$279,598 95)	(313,711 60)
n. Independent CNGT (wt. avg. all 104 union categories)	5,780	(\$68 86)	(\$95 91)	(\$398,010 80)	(554,359 80)
o. Independent SOO (weighted average all 13 unions)	2,416	(\$114 44)	(\$134 31)	(\$276,487 04)	(324,492 96)
p. Independent UP (Yardmasters only)	262	(\$142 51)	(\$170 96)	(\$37,337 62)	(44,791 52)
Total Major Union	149,695			(\$20,417,739 57)	(\$25,069,521 80)
All Other Employee Contributions**				(\$3,762,880 60)	(\$3,762,880 60)
6 Net Employer Monthly Payments				\$198,002,172 29	\$200,899,113 57
7 Ratio Projected Year to Base Year, Based on Net Monthly Payments					1.01463
8 H&W hourly rate for base year				\$5 788	
9 H&W hourly rate for projected quarter					\$5.873

* 70% of CSX Dispatchers participate in national agreement, remaining have independent agreement.

** Mostly non-union employee contributions. The \$20,417,739 57 in major union contributions, plus \$3,762,880 60 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey.

Health and Welfare**Employer H&W Contribution**

Supplemental Sickness Plan:		2007 Pd Employees	East	West
a. Signalmen	BRS	6,524	2,855	3,669
b. Shopcrafts	Total	25,894	10,701	15,193
	IBEW	5,286	1,934	3,352
	IBBM	1,093	319	774
	TCU-Car	11,342	5,239	6,103
	IAM	7,082	2,627	4,455
	SMW	1,091	582	509
c. MOW	BMWED	26,021	9,924	16,097
d. Yardmasters	UTU-YMD	2,132	1,386	746
Short-Term Disability Contribution:				
a. Engineers	Total BLET	15,664	5,787	9,877
	CSX	5,787		
	KCS	573		
	UP	9,304		
b. Engineers	SOO	494		

Sources/Notes:

Employee counts are from the 112-Class Wage Statistics. Monthly H&W premiums are from the NRLC, contracts, or the railroads. Projected quarter H&W Cost Sharing amounts are from the NRLC, union contracts, or pertinent railroads. Base year average monthly Cost Sharing amounts are from an AAR survey, NRLC, contracts, pertinent railroads. H&W hourly rate for base year benchmark is based on annual report and wage data. H&W rate for projected year is the benchmark figure updated by the ratio of projected year net payments to the base year. All Other employee contributions is the difference between total employee contributions for the base year and all known union amounts -- resulting in a non-union amount plus any adjustments caused by either opt-outs from union agreements or independent cost sharing agreements (if any) unknown to the AAR.

Health and Welfare

Employee H&W Cost Sharing

Group	Railroads	Contract Source
a. BLET	BNSF, CSX, KCS, UP NS	Article IV Part B Section 1 (b) Article XVI Sections 2, same as national
b. BMWE	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
c. BRS	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
d. IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
e. IBBM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
f. IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
g. NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
h. SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
i. TCU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
k. UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (b)
l. UTU-YMD	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
m. Dispatchers	BNSF, CSX, KCS, NS	Article IV Part B Section 1 (b)
n. Independent CN	all union categories incl. \$0 agmmts	
o. Independent SOO	all unions	Provided by Canadian Pacific Railway
p. Independent UP yardmasters		Article IV Part B Section 1 (b)

Railroad Retirement and Medicare

Employees Receiving Pay	175,741	(2007 Benchmark, 2006 RRB Distribution)
Tier I Maximum	106,800	(Year = 2009)
Tier II Maximum	79,200	(Year = 2009)
Medicare Maximum	no limit	(Year = 2009)
Tier I Tax Rate	6.20%	(Year = 2009)
Tier II Tax Rate	12.10%	(Year = 2009)
Medicare Tax Rate	1.45%	(Year = 2009)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2006	\$29.465			
2007	\$30.806	1.04551	\$543,657,695	\$6.462
1Q/2009	\$33.561	1.13901	\$592,633,625	\$7.044
2Q/2009	\$33.672	1.14278	\$594,034,140	\$7.061
3Q/2009		0.00000	\$0	\$0.000
4Q/2009		0.00000	\$0	\$0.000

RR Ret Tax from RR_Retirement_07annual.xls, Hourly rate from SUPPL2007.xls
Rate = Taxable Rate

Railroad Retirement & Medicare, U.S.

10/2009

10/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg Annual Earnings	Avg City Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 21699	0.556	977	\$8,267	\$9,416	\$2,354	\$2,354	\$2,354	\$2,354	\$2,300,193	\$2,300,193	\$2,300,193
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	28,476	7,119	7,119	7,119	7,119	1,739,057	1,739,057	1,739,057
25700 - 27699	0.232	408	\$27,038	30,797	7,699	7,699	7,699	7,699	3,139,092	3,139,092	3,139,092
27700 - 29699	0.185	325	\$28,990	32,667	8,167	8,167	8,167	8,167	2,655,171	2,655,171	2,655,171
29700 - 31699	0.848	1,139	\$30,770	35,047	8,762	8,762	8,762	8,762	9,978,013	9,978,013	9,978,013
31700 - 33699	0.556	977	\$32,668	37,232	9,308	9,308	9,308	9,308	9,095,042	9,095,042	9,095,042
33700 - 35699	0.695	1,221	\$34,798	39,635	9,909	9,909	9,909	9,909	12,102,655	12,102,655	12,102,655
35700 - 37699	1.204	2,116	\$36,898	41,797	10,449	10,449	10,449	10,449	22,109,899	22,109,899	22,109,899
37700 - 39699	1.575	2,768	\$38,828	44,227	11,057	11,057	11,057	11,057	30,604,008	30,604,008	30,604,008
39700 - 41699	2.898	4,720	\$40,703	46,361	11,590	11,590	11,590	11,590	54,710,915	54,710,915	54,710,915
41700 - 43699	4.030	7,082	\$42,849	48,806	12,201	12,201	12,201	12,201	86,414,632	86,414,632	86,414,632
43700 - 45699	5.049	8,873	\$44,700	50,914	12,728	12,728	12,728	12,728	112,941,732	112,941,732	112,941,732
45700 - 47699	6.253	10,989	\$46,635	53,118	13,279	13,279	13,279	13,279	145,929,119	145,929,119	145,929,119
47700 - 49699	5.234	9,198	\$48,753	55,530	13,883	13,883	13,883	13,883	127,695,800	127,695,800	127,695,800
49700 - 51699	4.893	8,546	\$50,858	57,700	14,425	14,425	14,425	14,425	123,280,350	123,280,350	123,280,350
51700 - 53699	4.308	7,571	\$52,623	59,938	14,985	14,985	14,985	14,985	113,446,956	113,446,956	113,446,956
53700 - 55699	4.261	7,488	\$54,777	62,392	15,598	15,598	15,598	15,598	116,802,282	116,802,282	116,802,282
55700 - 57699	4.122	7,244	\$56,869	64,547	16,137	16,137	16,137	16,137	116,894,771	116,894,771	116,894,771
57700 - 59699	4.308	7,571	\$58,713	66,875	16,719	16,719	16,719	16,719	126,576,043	126,576,043	126,576,043
59700 - 61699	3.752	6,594	\$60,887	69,123	17,281	17,281	17,281	17,281	113,946,253	113,946,253	113,946,253
61700 - 63699	2.825	4,965	\$62,565	71,282	17,816	17,816	17,816	17,816	88,448,699	88,448,699	88,448,699
63700 - 65699	3.428	6,024	\$64,747	73,748	18,437	18,437	18,437	18,437	111,071,340	111,071,340	111,071,340
65700 - 67699	3.289	5,780	\$66,650	75,915	18,979	18,979	18,979	18,979	109,699,735	109,699,735	109,699,735
67700 - 69699	3.011	5,292	\$68,571	78,103	19,526	19,526	19,526	19,526	103,321,996	103,321,996	103,321,996
69700 - 71699	2.362	4,151	\$70,605	80,420	20,105	20,105	20,105	20,105	83,455,872	83,455,872	83,455,872
71700 - 73699	2.779	4,884	\$72,709	82,816	20,704	20,704	20,704	20,704	101,115,624	101,115,624	101,115,624
73700 - 75699	1.780	3,093	\$74,592	84,961	21,240	21,240	21,240	21,240	65,697,141	65,697,141	65,697,141
75700 - 77699	2.408	4,234	\$76,791	87,466	21,866	21,866	21,866	21,866	92,573,924	92,573,924	92,573,924
77700 - 79699	1.575	2,788	\$78,679	89,616	22,404	22,404	22,404	22,404	54,804,831	54,804,831	54,804,831
79700 - 81699	2.094	3,662	\$80,918	92,167	23,042	23,042	23,042	23,042	62,012,743	62,012,743	62,012,743
81700 - 83699	1.621	2,849	\$82,807	94,318	23,580	23,580	23,580	23,580	84,388,721	84,388,721	84,388,721
83700 - 85699	1.297	2,279	\$84,780	96,565	24,141	24,141	24,141	24,141	56,405,480	56,405,480	56,405,480
85700 - 87699	2.223	3,907	\$86,823	98,665	24,666	24,666	24,666	24,666	45,131,343	45,131,343	45,131,343
87700 - 89699	1.492	2,604	\$88,844	101,194	25,299	25,299	25,299	25,299	77,353,104	77,353,104	77,353,104
89700 - 91699	1.297	2,279	\$90,874	103,279	25,820	25,820	25,820	25,820	51,568,736	51,568,736	51,568,736
91700 - 93699	1.204	2,116	\$92,711	105,599	26,400	26,400	26,400	26,400	45,131,343	45,131,343	45,131,343
93700 - 95699	0.973	1,710	\$94,442	107,571	26,893	26,893	26,893	26,893	41,896,248	41,896,248	41,896,248
95700 - over	8.725	17,091	\$144,529	164,620	41,155	41,155	41,155	41,155	33,857,207	33,857,207	33,857,207
TOTAL	100.000000	175,741	\$67,596	\$67,596	41,155	41,155	41,155	41,155	3,382,672,114	3,382,672,114	3,382,672,114

Total Taxable	3,135,293,622	2,885,922,932	0.062
City Pmt	\$194,388,205	\$349,196,675	
Tier I & II & Medicare			
			\$592,633,625

20/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB Stats)	Estimated Avg Annual Earnings	Avg Qly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 21699	0.556	977	\$8,267	\$9,447	\$2,362	\$2,362	\$2,362	\$2,362	\$2,307,801	\$2,307,801	\$2,307,801
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	28,571	7,143	7,143	7,143	7,143	1,744,808	1,744,808	1,744,808
25700 - 27699	0.232	408	\$27,038	30,898	7,725	7,725	7,725	7,725	3,149,475	3,149,475	3,149,475
27700 - 29699	0.185	325	\$28,680	32,775	8,194	8,194	8,194	8,194	2,663,952	2,663,952	2,663,952
29700 - 31699	0.648	1,139	\$30,770	35,183	8,791	8,791	8,791	8,791	10,011,014	10,011,014	10,011,014
31700 - 33699	0.556	977	\$32,698	37,355	9,339	9,339	9,339	9,339	9,125,123	9,125,123	9,125,123
33700 - 35699	0.695	1,221	\$34,798	39,786	9,942	9,942	9,942	9,942	12,142,683	12,142,683	12,142,683
35700 - 37699	1.204	2,116	\$36,896	41,935	10,484	10,484	10,484	10,484	22,183,026	22,183,026	22,183,026
37700 - 39699	1.575	2,768	\$38,929	44,373	11,093	11,093	11,093	11,093	30,705,228	30,705,228	30,705,228
39700 - 41699	2.886	4,720	\$40,703	46,515	11,829	11,829	11,829	11,829	54,891,866	54,891,866	54,891,866
41700 - 43699	4.030	7,082	\$42,849	48,987	12,242	12,242	12,242	12,242	86,700,441	86,700,441	86,700,441
43700 - 45699	5.049	8,873	\$44,700	51,082	12,771	12,771	12,771	12,771	113,315,277	113,315,277	113,315,277
45700 - 47699	6.253	10,989	\$46,635	53,294	13,323	13,323	13,323	13,323	146,411,766	146,411,766	146,411,766
47700 - 49699	5.234	9,198	\$48,753	55,714	13,928	13,928	13,928	13,928	128,118,142	128,118,142	128,118,142
49700 - 51699	4.863	8,546	\$50,858	57,891	14,473	14,473	14,473	14,473	123,688,089	123,688,089	123,688,089
51700 - 53699	4.308	7,571	\$52,823	60,136	15,034	15,034	15,034	15,034	113,822,172	113,822,172	113,822,172
53700 - 55699	4.261	7,486	\$54,777	62,598	15,650	15,650	15,650	15,650	117,188,595	117,188,595	117,188,595
55700 - 57699	4.122	7,244	\$56,669	64,780	16,190	16,190	16,190	16,190	117,281,390	117,281,390	117,281,390
57700 - 59699	4.308	7,571	\$58,713	67,066	16,774	16,774	16,774	16,774	126,994,682	126,994,682	126,994,682
59700 - 61699	3.752	6,594	\$60,687	69,352	17,338	17,338	17,338	17,338	114,323,120	114,323,120	114,323,120
61700 - 63699	2.825	4,965	\$62,565	71,498	17,875	17,875	17,875	17,875	88,741,235	88,741,235	88,741,235
63700 - 65699	3.428	6,024	\$64,747	73,982	18,498	18,498	18,498	18,498	111,438,699	111,438,699	111,438,699
65700 - 67699	3.289	5,780	\$66,650	76,186	19,042	19,042	19,042	19,042	110,082,557	110,082,557	110,082,557
67700 - 69699	3.011	5,292	\$68,571	78,382	19,590	19,590	19,590	19,590	103,663,724	103,663,724	103,663,724
69700 - 71699	2.362	4,151	\$70,905	80,686	20,171	20,171	20,171	20,171	83,731,895	83,731,895	83,731,895
71700 - 73699	2.779	4,884	\$72,709	83,090	20,773	20,773	20,773	20,773	101,450,055	101,450,055	101,450,055
73700 - 75699	1.760	3,083	\$74,592	85,242	21,311	21,311	21,311	21,311	65,914,428	65,914,428	65,914,428
75700 - 77699	2.409	4,234	\$76,791	87,755	21,939	21,939	21,939	21,939	92,880,104	92,880,104	92,880,104
77700 - 79699	1.575	2,768	\$78,679	89,913	22,478	22,478	22,478	22,478	62,217,844	62,217,844	62,217,844
79700 - 81699	2.084	3,662	\$80,918	92,471	23,118	23,118	23,118	23,118	84,667,829	84,667,829	84,667,829
81700 - 83699	1.621	2,849	\$82,907	94,630	23,658	23,658	23,658	23,658	67,394,683	67,394,683	67,394,683
83700 - 85699	1.297	2,279	\$84,780	96,885	24,221	24,221	24,221	24,221	55,208,883	55,208,883	55,208,883
85700 - 87699	2.223	3,907	\$86,623	98,991	24,748	24,748	24,748	24,748	77,353,104	77,353,104	77,353,104
87700 - 89699	1.482	2,604	\$88,844	101,529	25,382	25,382	25,382	25,382	51,568,736	51,568,736	51,568,736
89700 - 91699	1.297	2,279	\$90,674	103,620	25,905	25,905	25,905	25,905	45,131,343	45,131,343	45,131,343
91700 - 93699	1.204	2,116	\$92,711	105,948	26,487	26,487	26,487	26,487	33,857,207	33,857,207	33,857,207
93700 - 95699	0.973	1,710	\$94,442	107,926	26,982	26,982	26,982	26,982	45,655,930	45,655,930	45,655,930
95700 - over	9.725	17,081	\$144,529	165,165	26,700	26,700	26,700	26,700	456,324,687	456,324,687	456,324,687
TOTAL	100.000	175,741			41,291	41,291	41,291	41,291	3,144,003,089	2,891,684,045	3,393,859,999

Total Taxable Tax Rate

0.062 0.121

Qlty Pmt \$194,828,190 \$349,894,979 \$49,210,970

Tier I & II & Medicare

\$594,034,140

Railroad Retirement & Medicare, U S

3Q/2009

3Q/2009

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2008 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
\$0 - 21699	0.558	977	\$8,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21700 - 23699	0.000	0	\$0	0	0	0	0	0	0	0	0
23700 - 25699	0.139	244	\$25,001	0	0	0	0	0	0	0	0
25700 - 27699	0.232	408	\$27,038	0	0	0	0	0	0	0	0
27700 - 29699	0.185	325	\$28,680	0	0	0	0	0	0	0	0
29700 - 31699	0.648	1,139	\$30,770	0	0	0	0	0	0	0	0
31700 - 33699	0.556	977	\$32,688	0	0	0	0	0	0	0	0
33700 - 35699	0.695	1,221	\$34,798	0	0	0	0	0	0	0	0
35700 - 37699	1.204	2,116	\$36,696	0	0	0	0	0	0	0	0
37700 - 39699	1.575	2,788	\$38,829	0	0	0	0	0	0	0	0
39700 - 41699	2.686	4,720	\$40,703	0	0	0	0	0	0	0	0
41700 - 43699	4.030	7,082	\$42,849	0	0	0	0	0	0	0	0
43700 - 45699	5.049	8,873	\$44,700	0	0	0	0	0	0	0	0
45700 - 47699	6.253	10,989	\$46,635	0	0	0	0	0	0	0	0
47700 - 49699	5.234	9,198	\$48,753	0	0	0	0	0	0	0	0
49700 - 51699	4.863	8,546	\$50,658	0	0	0	0	0	0	0	0
51700 - 53699	4.308	7,571	\$52,623	0	0	0	0	0	0	0	0
53700 - 55699	4.261	7,488	\$54,777	0	0	0	0	0	0	0	0
55700 - 57699	4.122	7,244	\$56,669	0	0	0	0	0	0	0	0
57700 - 59699	4.308	7,571	\$58,713	0	0	0	0	0	0	0	0
59700 - 61699	3.752	6,594	\$60,687	0	0	0	0	0	0	0	0
61700 - 63699	2.825	4,985	\$62,565	0	0	0	0	0	0	0	0
63700 - 65699	3.428	6,024	\$64,747	0	0	0	0	0	0	0	0
65700 - 67699	3.289	5,780	\$66,650	0	0	0	0	0	0	0	0
67700 - 69699	3.011	5,292	\$68,571	0	0	0	0	0	0	0	0
69700 - 71699	2.362	4,151	\$70,605	0	0	0	678	0	0	2,808,071	0
71700 - 73699	2.779	4,894	\$72,709	0	0	0	1,877	0	0	9,165,521	0
73700 - 75699	1.760	3,083	\$74,582	0	0	0	2,951	0	0	9,127,122	0
75700 - 77699	2.409	4,234	\$76,791	0	0	0	4,205	0	0	17,803,440	0
77700 - 79699	1.575	2,768	\$78,678	0	0	0	5,282	0	0	14,620,925	0
79700 - 81699	2.084	3,682	\$80,918	0	0	0	6,580	0	0	24,023,829	0
81700 - 83699	1.621	2,849	\$82,807	0	0	0	7,637	0	0	21,756,239	0
83700 - 85699	1.297	2,279	\$84,780	0	0	0	8,763	0	0	19,973,082	0
85700 - 87699	2.223	3,907	\$86,623	0	0	0	9,814	0	0	38,340,246	0
87700 - 89699	1.482	2,604	\$88,844	0	0	0	11,081	0	0	28,959,951	0
89700 - 91699	1.297	2,279	\$90,674	0	0	0	12,125	0	0	27,636,798	0
91700 - 93699	1.204	2,116	\$92,711	0	0	0	13,287	0	0	28,113,835	0
93700 - 95699	0.973	1,710	\$94,442	0	0	474	14,274	0	810,947	24,408,394	0
95700 - over	9.725	17,091	\$144,529	0	0	26,700	19,800	0	456,324,687	338,398,083	0
TOTAL	100.000	175,741						Total Taxable Tax Rate	457,135,634 0.062	605,035,535 0.121	0 0.0145

Qtrly Pmt	\$28,342,409	\$73,209,300	\$0
Tier I & II & Medicare			\$101,551,709

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2007	Avg Annual Earnings (2006 RRB State)	Estimated Avg. Annual Earnings	Avg City Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 4999	0.556	977	\$8,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5000 - 9999	0.000	0	\$0	0	0	0	0	0	0	0	0
10000 - 12499	0.139	244	\$25,001	0	0	0	0	0	0	0	0
12500 - 14999	0.232	408	\$27,038	0	0	0	0	0	0	0	0
15000 - 17499	0.185	325	\$28,680	0	0	0	0	0	0	0	0
17500 - 19999	0.648	1,139	\$30,770	0	0	0	0	0	0	0	0
20000 - 22499	0.556	977	\$32,688	0	0	0	0	0	0	0	0
22500 - 24999	0.695	1,221	\$34,788	0	0	0	0	0	0	0	0
25000 - 27499	1.204	2,116	\$36,896	0	0	0	0	0	0	0	0
27500 - 29999	1.575	2,788	\$38,829	0	0	0	0	0	0	0	0
30000 - 32499	2.686	4,720	\$40,703	0	0	0	0	0	0	0	0
32500 - 34999	4.030	7,082	\$42,849	0	0	0	0	0	0	0	0
35000 - 37499	5.049	8,873	\$44,700	0	0	0	0	0	0	0	0
37500 - 39999	6.253	10,989	\$46,835	0	0	0	0	0	0	0	0
40000 - 42499	5.234	9,196	\$48,753	0	0	0	0	0	0	0	0
42500 - 44999	4.863	8,546	\$50,658	0	0	0	0	0	0	0	0
45000 - 47499	4.308	7,571	\$52,623	0	0	0	0	0	0	0	0
47500 - 49999	4.261	7,488	\$54,777	0	0	0	0	0	0	0	0
50000 - 52499	4.122	7,244	\$56,669	0	0	0	0	0	0	0	0
52500 - 54999	4.308	7,571	\$58,713	0	0	0	0	0	0	0	0
55000 - 57499	3.762	6,594	\$60,687	0	0	0	0	0	0	0	0
57500 - 59999	2.825	4,985	\$62,565	0	0	0	0	0	0	0	0
60000 - 62499	3.428	6,024	\$64,747	0	0	0	0	0	0	0	0
62500 - 64999	3.289	5,780	\$66,650	0	0	0	0	0	0	0	0
65000 - 67499	3.011	5,282	\$68,571	0	0	0	0	0	0	0	0
67500 - 69999	2.362	4,151	\$70,605	0	0	0	0	0	0	0	0
70000 - 72499	2.778	4,894	\$72,709	0	0	0	0	0	0	0	0
72500 - 74999	1.760	3,093	\$74,592	0	0	0	0	0	0	0	0
75000 - 77499	2.408	4,234	\$76,791	0	0	0	0	0	0	0	0
77500 - 79999	1.575	2,788	\$78,679	0	0	0	0	0	0	0	0
80000 - 84999	2.084	3,682	\$80,918	0	0	0	0	0	0	0	0
85000 - 89999	1.621	2,849	\$82,807	0	0	0	0	0	0	0	0
90000 - 94999	1.297	2,279	\$84,780	0	0	0	0	0	0	0	0
95000 - 99999	2.223	3,907	\$86,623	0	0	0	0	0	0	0	0
100000 - 104999	1.482	2,604	\$88,844	0	0	0	0	0	0	0	0
105000 - 109999	1.297	2,279	\$90,674	0	0	0	0	0	0	0	0
110000 - 114999	1.204	2,116	\$92,711	0	0	0	0	0	0	0	0
115000 - 119999	0.973	1,710	\$94,442	0	0	0	0	0	0	0	0
120000 - 124999	9.725	17,081	\$144,529	0	2,346	19,800	0	0	40,098,787	338,398,083	0
TOTAL	100.000	175,741							40,098,787	338,398,083	0

Total Taxable	40,098,787	338,398,083	0
Tax Rate	0.082	0.121	0.0145
City Pmt	\$2,486,187	\$40,946,168	\$0
Tier I & II & Medicare			\$43,432,355

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	Taxable	Hourly
	<u>Rate</u>	<u>Base</u>	<u>Earnings</u>	<u>Year</u>	<u>RRB Sample</u>	<u>Earnings</u>	<u>Rate</u>
			\$27.952	(2003)			
2004 Avg.	2.88%	\$13,560	\$28.151		1.007119	\$12,797.12	\$0.197
4Q/05	2.29%	\$13,800	\$29.157		1.043110	\$13,030.55	\$0.159
1Q/06	2.36%	\$14,340	\$29.277		1.047403	\$13,526.36	\$0.170
2Q/06	2.36%	\$14,340	\$29.255		1.046616	\$13,526.05	\$0.170
3Q/06	2.36%	\$14,340	\$29.302		1.048297	\$13,526.71	\$0.170
			\$28.151	(2004)			
2005 Avg.	2.29%	\$13,800	\$28.884		1.026038	\$12,810.75	\$0.162
4Q/06	2.36%	\$14,340	\$29.136		1.034990	\$13,295.94	\$0.173
1Q/07	2.47%	\$14,760	\$29.220		1.037974	\$13,670.56	\$0.186
2Q/07	2.47%	\$14,760	\$29.238		1.038613	\$13,670.92	\$0.186
3Q/07	2.47%	\$14,760	\$29.336		1.042094	\$13,672.83	\$0.186
			\$28.884	(2005)			
2006 Avg.	2.36%	\$14,340	\$29.465		1.020115	\$13,053.43	\$0.173
4Q/07	2.47%	\$14,760	\$30.476		1.055117	\$13,438.69	\$0.186
1Q/08	2.48%	\$15,360	\$31.071		1.075717	\$13,972.06	\$0.195
2Q/08	2.48%	\$15,360	\$31.090		1.076374	\$13,972.45	\$0.195
3Q/08	2.48%	\$15,360	\$31.594		1.093824	\$13,982.57	\$0.195
			\$29.465	(2006)			
2007 Avg.	2.47%	\$14,760	\$30.806		1.045512	\$13,903.99	\$0.192
3Q/08 reb.	2.48%	\$15,360	\$32.327		1.097132	\$14,473.48	\$0.201
4Q/08	2.48%	\$15,360	\$33.207		1.126998	\$14,487.09	\$0.201
1Q/09	2.47%	\$15,960	\$33.561		1.139012	\$15,038.39	\$0.208
2Q/09	2.47%	\$15,960	\$33.672 ✓		1.142780	\$15,040.15	\$0.208
3Q/09					0.000000		—

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

2005 rate changes from 2.28% to 2.29% because rebenchmarking to 2004 (and later) wage statistics and annual report data adds BL&E and DMIR to the railroad group.

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2788	38764317.27	13903.99
QTRLY_US	2788	41931949.75	15040.15

The SAS System
Factors and Caps 2007 and 2009Q2

12:13 Wednesday, February 25, 2009

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2788	2914.89	1.0455120
FactorQ	2788	3186.07	1.1427800
Capa	2788	41150880.00	14760.00
Capq	2788	44496480.00	15960.00

February 2009

Short-Term Energy Outlook

February 10, 2009 Release

Highlights

- U.S. real gross domestic product (GDP) is expected to decline by 2.7 percent in 2009, triggering decreases in domestic energy consumption for all major fuels. Economic recovery is projected to begin in 2010, with 2.2 percent year-over-year growth in GDP. Accompanying the projected economic recovery should be a mild rebound in energy consumption for all the major fuels in 2010.
- Over the past 6 months, the monthly average price of West Texas Intermediate (WTI) crude oil fell from \$133 per barrel in July to \$41 in December and January. WTI prices are projected to average \$43 per barrel in 2009 and \$55 in 2010, unchanged from last month's *Outlook*.
- The U.S. price for regular gasoline averaged \$1.69 per gallon in December 2008, the lowest monthly average since February 2004 and down nearly \$2.40 per gallon from the monthly peak seen last July. Gasoline prices have been slowly increasing over the last 6 weeks as crude oil prices have stabilized and refiner margins have recovered from their recent near-historic lows. Retail gasoline prices are projected to average \$1.95 per gallon in 2009 and \$2.19 per gallon in 2010.
- The U.S. economic downturn is also contributing to a decline in natural gas consumption, particularly in the industrial sector, which has led to lower natural gas prices. The Henry Hub natural gas spot price is projected to decline from an average of \$9.13 per thousand cubic feet (Mcf) in 2008 to about \$5 per Mcf in 2009, but then increase in 2010 to an average of almost \$6 per Mcf.

Global Petroleum

Overview. The worsening global economy and a weak oil consumption outlook are keeping the world oil market well supplied, despite two downward revisions in production targets by the Organization of the Petroleum Exporting Countries (OPEC)

within the past few months. Lower global oil demand and rising surplus production capacity through at least mid-year 2009 reduce the possibility for a strong and sustained rebound in oil prices over that period. OPEC is scheduled to meet in Vienna on March 15, which could lead to another production cut to mitigate some of the slack in the world oil market. However, near-month oil prices will likely be driven primarily by the global economy. Global real gross domestic product (GDP, weighted according to shares of world oil consumption) is assumed to decline by 0.1 percent in 2009 and rise by 3.0 percent in 2010, versus last month's assessment of 0.6-percent growth in real GDP in 2009 and 3.0-percent growth in 2010.

Consumption. World oil consumption is projected to fall by 1.2 million barrels per day (bbl/d) in 2009, representing an additional decline of 400,000 bbl/d from last month's *Outlook*. World oil consumption is expected to rebound in 2010, growing by more than 1.2 million bbl/d, due to an expected recovery in the global economy. Oil consumption growth over the next 2 years is concentrated in countries outside of the Organization for Economic Cooperation and Development (OECD), particularly China, the Middle East, and Latin America, offsetting projected declines in OECD oil consumption (World Oil Consumption). If the world economy recovers sooner than EIA now anticipates, oil consumption could be higher than expected, putting upward pressure on oil prices.

Non-OPEC Supply. Non-OPEC oil supply is expected to grow by 150,000 bbl/d in 2009 and 130,000 bbl/d in 2010. The expected growth in non-OPEC supply over the next 2 years comes in stark contrast to the 330,000-bbl/d decline seen in 2008, which was the result of longer-than-expected delays in key projects, larger-than-expected decline rates in mature basins, and supply disruptions in the Gulf of Mexico and Central Asia. The largest sources of growth over the forecast period are the United States, Brazil, and Azerbaijan, offset by large declines in production in Mexico, the North Sea, and Russia. The expected decline in Russian output in 2009 (-160,000 bbl/d) is especially noteworthy. Russian oil production grew by 3 million bbl/d from 2000 through 2007, representing 75 percent of total non-OPEC oil production growth over that period.

There are downside risks to the outlook for non-OPEC supply, as additional project delays are certainly possible given the financial crisis and the current price environment. Sustained lower oil prices bring into doubt the viability of some high-cost non-OPEC projects, especially those utilizing nonconventional technology or those seeking to exploit frontier oil basins. The credit crunch associated with the global economic crisis can also make it difficult to acquire financing for new projects or even to finance the investment required to prevent accelerated declines at

producing fields. EIA's forecast reflects an attempt to account for some of these potential delays.

OPEC Supply. OPEC producers are cutting crude production targets in response to lower prices and eroding consumption. Estimated OPEC crude oil production fell by 1 million bbl/d during the fourth quarter of 2008, reaching 30.7 million bbl/d. OPEC crude oil production is expected to fall by an additional 1.6 million bbl/d in the first quarter of 2009 to 29.1 million bbl/d, the lowest level in 5 years, largely resulting from lower production in Saudi Arabia. The decline of 2.6 million bbl/d over this period represents nearly two-thirds of the 4.2-million-bbl/d cut in OPEC's production target announced at its December meeting. For the year, OPEC crude oil production is expected to average 29.4 million bbl/d, then rise to 30.1 million bbl/d in 2010. In addition, EIA expects that OPEC production of non-crude liquids will rise substantially next year, growing by 660,000 bbl/d in 2009 and by 870,000 bbl/d in 2010, due to increasing condensate and natural gas production.

The combination of lower demand for OPEC crude oil, increasing production of non-crude liquids, and the capacity expansions expected in several OPEC countries means that surplus production capacity could increase dramatically over the next 2 years. OPEC surplus production capacity could average 4.3 million bbl/d in 2009, eventually exceeding 5 million bbl/d by the end of 2010. By comparison, OPEC surplus production capacity ranged from 1 to 2 million bbl/d over the past 5 years (OPEC Surplus Oil Production Capacity). The lack of surplus production capacity was a crucial factor during the run-up in oil prices through the first half of 2008. If OPEC does hold 4 to 5 million bbl/d of surplus production capacity over the next 2 years, this could act to cushion the world oil market and help mitigate the price effect of perceived or actual supply disruptions.

Inventories. Preliminary data indicate that OECD commercial inventories stood at 2.58 billion barrels at the end of 2008, equivalent to 52 days of forward cover (Days of Supply of OECD Commercial Stocks), above average levels for that time of year. Measured as days of forward cover, OECD commercial inventories are projected to remain above average levels through the end of 2010. High crude inventories in some markets, along with a growing use of floating storage, are signs that the oil market is well supplied. Along with ample OPEC surplus production capacity, high commercial inventories should help mitigate any strong upward price pressures.

U.S. Petroleum

Consumption. Total petroleum products consumption in 2008 declined by almost 1.2 million bbl/d, or 5.8 percent, from the 2007 average, the largest annual decline since

1980 (U.S. Petroleum Products Consumption Growth). The major factors behind the fall in consumption were a rapid rise in retail prices to record levels during the first half of 2008 followed by a weakening economy in the second half. Motor gasoline consumption in 2008 declined by 320,000 bbl/d, or 3.4 percent. Despite the cold weather that gripped much of the Lower-48 States in December, distillate fuel consumption in 2008 fell by 5.4 percent from the previous year as a result of precipitous declines in transportation consumption of diesel fuel. Major reductions in airline capacity during the fourth quarter contributed to the 100,000-bbl/d, or 6.2-percent, drop in jet fuel consumption. Total petroleum products consumption in 2009 is projected to fall by a further 460,000 bbl/d, or 2.4 percent, because of continued economic weakness. Consumption of both motor gasoline and distillate fuel are projected to decline by about 100,000 bbl/d each. Jet fuel is forecast to fall by a further 60,000 bbl/d. The expected economic recovery in 2010 is projected to boost total petroleum products consumption by 220,000 bbl/d, or 1.1 percent.

Production. In 2008, domestic crude oil production averaged 4.95 million bbl/d, down by 110,000 bbl/d from 2007 (U.S. Crude Oil Production). However, in 2009, domestic output is projected to increase by about 400,000 bbl/d to an average of 5.35 million bbl/d. This would be the first increase in production since 1991. Output is projected to rise by a further 130,000 bbl/d in 2010. Contributing to the increases in output are the Gulf of Mexico Thunder Horse platform, which is coming on stream now, and the Tahiti platform, expected to come on stream later this year.

Prices. WTI prices averaged almost \$100 per barrel in 2008, with daily spot prices ranging from almost \$150 per barrel in early July to about \$30 per barrel towards the end of the year. Under current economic and world crude oil supply assumptions, WTI prices are expected to average \$43 per barrel in 2009 and \$55 per barrel in 2010 (Crude Oil Prices). The possibility of a milder recession or faster economic recovery, lower non-OPEC production because of the current low oil prices and financial market constraints, and more aggressive action to lower production by OPEC countries could lead to a faster and stronger recovery in oil prices.

Regular-grade gasoline prices are projected to average \$1.95 per gallon in 2009 and \$2.19 per gallon in 2010. Because of lower motor gasoline consumption, refining margins for gasoline are expected to remain low for much of 2009 but are expected to increase slightly in 2010 as consumption begins to recover.

On-highway diesel fuel retail prices, which averaged \$3.79 per gallon in 2008, are projected to average \$2.28 per gallon in 2009 and \$2.55 in 2010. The expected continuation of the decline in diesel fuel consumption in the United States this year as well as a slowing of the growth in distillate fuel usage outside the United States are

projected to result in a narrowing of refining margins for distillate throughout the forecast.

Natural Gas

Consumption. Total natural gas consumption is projected to decline by 1.3 percent in 2009 and then increase by 0.6 percent in 2010 (Total U.S. Natural Gas Consumption Growth). The expectation of limited weather-driven consumption growth in the residential and commercial sectors in 2009 is outweighed by the implications of continued economic weakness in the industrial and electric power sectors. Consumption in the industrial and electric power sectors is expected to decline by 5.1 and 1.0 percent, respectively, in 2009. Consumption growth in 2010 remains largely dependent upon the timing and pace of economic recovery. Based on current assumptions, 2.2-percent growth in the electric power sector combined with slight growth in the residential and industrial sectors are all expected to contribute to 2010 consumption growth.

Production and Imports. Total U.S. marketed natural gas production is expected to rise slightly in 2009 and fall by 1.1 percent in 2010. The dramatic decline in drilling activity, as total working natural gas rigs have declined by more than 31 percent since August 2008, is expected to contribute to lower production during the second half of 2009. Despite the cutback in drilling activity, the current outlook suggests that some production curtailments may be necessary during the latter part of 2009 in order to balance the market. Nevertheless, this year's marketed production from the Lower-48 non-Gulf of Mexico (GOM) is expected to increase by 1.1 percent due to the low operating cost of wells currently in use and the lagged effect of aggressive drilling programs during the latter part of 2008. In contrast, the natural decline in production from existing fields and long-term decline in drilling activity are expected to lead to a 6.4-percent decrease in production in the Federal GOM this year. In 2010, annual production is projected to decline relative to 2009 in the Federal GOM and Lower-48 non-GOM by 6.3 and 0.6 percent, respectively.

U.S. imports of liquefied natural gas (LNG) are expected to reach about 369 billion cubic feet (Bcf) in 2009, a slight increase over the volume received in 2008. Shipments of LNG to the United States this year will be affected by the timing of supply additions in Russia, Norway, Qatar, and Yemen and the status of global natural gas inventories in LNG-consuming regions. In 2010, U.S. LNG imports are projected to be about 463 Bcf.

Inventories. On January 30, 2009, working natural gas in storage was 2,179 Bcf (U.S. Working Natural Gas in Storage). Current inventories are now 17 Bcf above the 5-

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
First Quarter 2009
February 26, 2009

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1102	261.79	268.99	1.0275
Metal Products	.6389	201.78	198.65	.9845
Miscellaneous Products	.2509	325.74	294.47	.9040
U.S. By Composition	--	239.50	230.44	.9622
U.S. By Composition (Linked)	--	243.91	234.69	.9622
United States (1977=100) Linking Factor: 1.423	--	347.08	333.96	.9622
United States (1980=100) Linking Factor: 1.061	--	258.79	249.01	.9622

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/08	Sept. 4Q/08	Dec 1Q/09	Mar. 2Q/09	June 3Q/09
RATE						
RR-OWNED TIME	31.00	67.00	67.00	67.00	67.00	--
RR-OWNED MILEAGE	4.69	7.20	7.20	7.20	7.20	--
PRIVATELY-OWNED CARS	25.47	45.75	45.57	45.48	45.71	--
AUTORACKS	47.00	49.98	51.88	52.82	50.52	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	216.1	216.1	--
RR-OWNED MILEAGE	100.0	153.5	153.5	153.5	153.5	--
PRIVATELY-OWNED CARS	100.0	179.6	178.9	178.6	179.5	--
AUTORACKS	100.0	106.3	110.4	112.4	107.5	--
CAR HIRE INDEX (old wts) 2006	100.0	183.3	--	--	--	--
CAR HIRE INDEX (new wts) 2007	100.0	183.2	182.6	182.4	183.1	--
CAR HIRE INDEX (LINKED)	100.0	182.3	181.7	181.5	182.2	--

Note: The Car Hire Index for third quarter using *old weights* and *linked* should match that quarter's filing. The third quarter *new weights* version is used in the fourth quarter linked index calculation to ensure that the transition from old weights to new weights does not impact the linked index.

Note: Indexes are rounded, rates are full float

Equipment Rents Data From CHARM

	2008						2009							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No. of Cars														
Superstructures														
Rails														
Superstructures #3 - Auto Rack	9,319	9,298	9,280	9,238	9,191	9,119	9,029	8,982	8,941					
All other #1 - Time	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0					
All other #2 - Mileage	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0					
Privately Owned	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2					
No. of Cars														
Superstructures	49,751	49,742	49,703	49,802	49,848	49,904	49,945	49,885	49,842					
Covered Hoppers	342,058	341,834	342,384	343,455	343,436	342,491	343,082	342,482	341,780					
Tank Cars	314,047	314,204	315,055	315,796	314,985	313,030	315,209	314,895	316,003					
Others	297,412	299,033	299,493	301,343	302,182	304,638	305,747	304,118	305,148					
Rails														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0					
Superstructures #2 - Mileage	0.8	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0					
Superstructures #3 - Auto Rack	57.0	58.0	58.0	59.0	60.0	59.0	55.0	56.0	56.0					
Covered Hoppers #2 - Mileage	44.9	45.0	45.1	45.2	45.2	45.2	43.8	44.0	44.0					
Tank Cars #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1	73.2	73.5	76.2					
Others #1 -Time	64.0	64.0	64.0	63.0	63.0	63.0	63.0	62.0	62.0					
Others #2 - Mileage	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7					
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33	19.33	19.33	19.33	0.00	0.00	0.00	0.00	0.00
Private Others	20.81	20.81	20.81	20.59	20.69	20.69	20.69	20.46	20.46	0.00	0.00	0.00	0.00	0.00
Private Total	46.78	46.78	46.57	46.54	46.57	46.48	44.76	44.88	46.71	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Automobiles	51.01	51.86	51.86	52.74	53.82	52.82	49.49	50.52	50.52	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

	"Old Wts" "New Wts"	
	2008	2007
For RCAF & RCR		
RR-owned Time	0.182	0.189
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Automobiles	0.005	0.000
----- Check sum	1.000	1.000
Weights for Equipment Rents (not used in Car Hire calculation)		
	2008	2007
Car Hire - U.S.	0.483	0.432
Lease Rentals - U.S.	0.537	0.568
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

1 PROGRAM: DPBE799

CURRENT DATE- MARCH 01, 2009

PRIVATE EQUIPMENT 1/

PAGE NO. 83

AVERAGE RATE FOR 03/09

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,842	78 ¢/HR	.010 \$/MILE	56 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	100			
-COVERED HOPPERS	341,790	0 ¢/HR	440 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	10,795			
-TANKS	315,003	4 ¢/HR	762 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	9,927			
-ALL OTHER CARS	305,148	62 ¢/HR	067 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	37,045			
TOTAL	1,069,650			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES

CAR TYPE D - LOCOMOTIVES

CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

CAR TYPE U - CONTAINERS

CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

AVERAGE RATE FOR 03/09

CAR GROUP	CAR COUNT	CAR RENTAL RATES		
		TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	8,941	130 \$/HR	.082 \$/MILE	20 \$/HR
ONO. OF ZERO RATED VEH. FLATS 2/	98			
-ALL OTHER CARS	640,396	67 \$/HR	072 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	40,209			
0	TOTAL:		689,644	

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES

- CAR TYPE D - LOCOMOTIVES
- CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
- CAR TYPE U - CONTAINERS
- CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

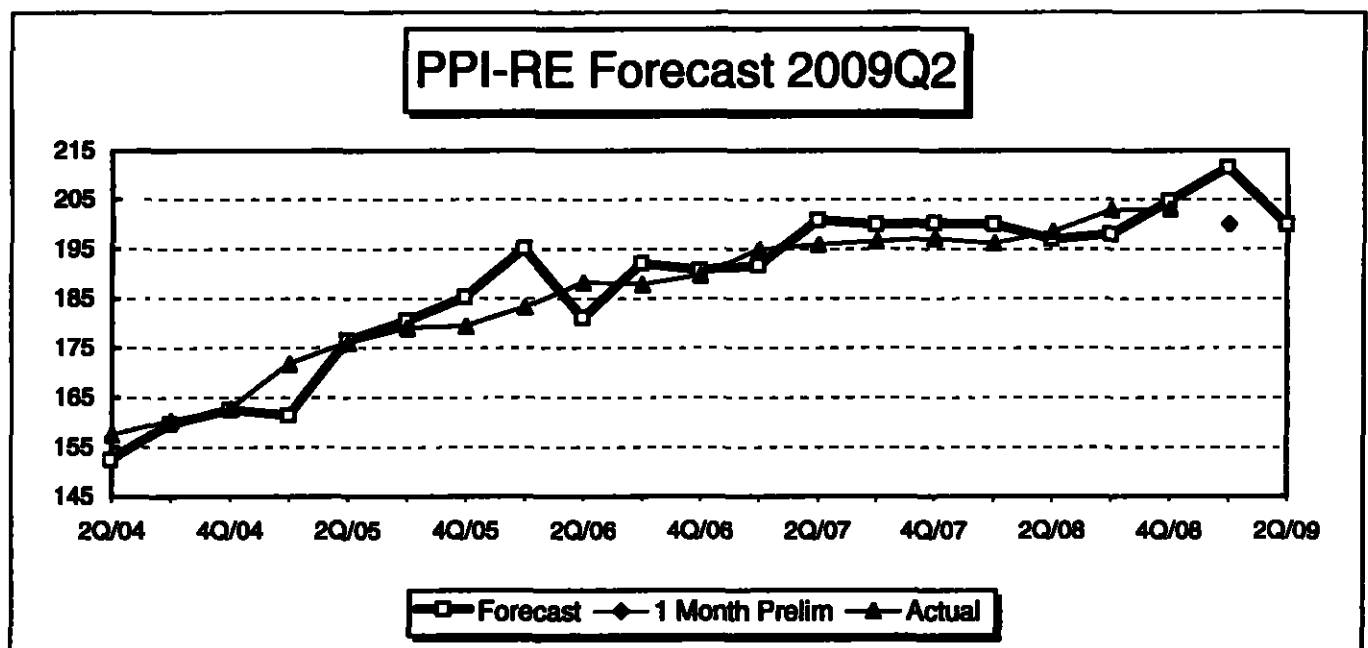
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
2Q/04	152.3	157.5	
3Q/04	159.6	160.3	
4Q/04	162.4	162.7	
1Q/05	161.3	171.7	
2Q/05	176.3	175.9	
3Q/05	180.3	178.9	
4Q/05	185.1	179.4	
1Q/06	195.0	183.1	
2Q/06	180.9	188.1	
3Q/06	191.9	187.7	
4Q/06	190.6	189.6	
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9	196.5	
4Q/07	200.2	197.0	
1Q/08	200.1	196.1	
2Q/08	196.9	198.5	
3Q/08	197.9	202.8	
4Q/08	204.8	203.1	
1Q/09	211.6		199.9
2Q/09	199.9		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2009Q2						
Low	173.8	192.3	-3.1%			
Midpoint	180.7	199.9	0.7%	0.0%	-1.6%	-5.5%
High	187.6	207.5	4.5%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2009q2\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 135.400 Maximum 188.400
Mean 161.833 Standard deviation 16.459

Classical decomposition (multiplicative)

Trend-cycle: 98.85% Seasonal: 0.14% Irregular: 1.01%

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Box-Jenkins outperforms exponential smoothing by 2.611 to 2.629 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12.

Series is nonstationary and seasonal.

Recommended model: Box-Jenkins

Forecast Model for PPIRE

ARIMA(0,1,0)

Within-Sample Statistics

Sample size 72	Number of parameters 0
Mean 161.8	Standard deviation 16.46
R-square 0.9886	Adjusted R-square 0.9887
Durbin-Watson 1.786	* Ljung-Box(18)=34.34 P=0.9886
Forecast error 1.749	BIC 1.749
MAPE 0.006421	RMSE 1.749
MAD 1.06	

Forecast Report

Thu Feb 19 13:49:20 2009

Box-Jenkins model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2003-02	135.400
2003-03	135.500
2003-04	136.000
2003-05	136.300
2003-06	136.300
2003-07	136.700
2003-08	136.500
2003-09	136.900
2003-10	137.200
2003-11	137.700
2003-12	137.300
2004-01	137.900
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000
2004-11	147.000
2004-12	153.200

re_ppi.txt

2005-01	153.400
2005-02	156.000
2005-03	161.600
2005-04	161.100
2005-05	161.300
2005-06	161.200
2005-07	161.500
2005-08	161.800
2005-09	161.800
2005-10	161.700
2005-11	161.900
2005-12	162.200
2006-01	164.200
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900
2006-09	170.400
2006-10	170.200
2006-11	170.300
2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100
2007-04	174.200
2007-05	175.600
2007-06	176.400
2007-07	177.400
2007-08	177.400
2007-09	177.900
2007-10	177.500
2007-11	177.700
2007-12	177.500
2008-01	178.400
2008-02	178.200
2008-03	177.600
2008-04	178.700
2008-05	178.000
2008-06	181.200
2008-07	180.800
2008-08	181.700
2008-09	182.900
2008-10	188.400
2008-11	182.000
2008-12	180.500
2009-01	180.700

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2009-02	177.248	180.700	184.152
2009-03	175.819	180.700	185.581
2009-04	174.721	180.700	186.679
2009-05	173.797	180.700	187.603
2009-06	172.982	180.700	188.418
2009-07	172.245	180.700	189.155
2009-08	171.568	180.700	189.832
2009-09	170.937	180.700	190.463

			re_ppi.txt
2009-10	170.345	180.700	191.055
2009-11	169.785	180.700	191.615
2009-12	169.252	180.700	192.148
2010-01	168.743	180.700	192.657



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Databases, Tables & Calculators by Subject

FONT SIZE

Data extracted on: February 19, 2009 (08:34 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	188.4(p)	182.0(p)	180.5(p)	180.7(p)
2009	180.7(p)												

p : Preliminary. All indexes are subject to revision four months after original publication.

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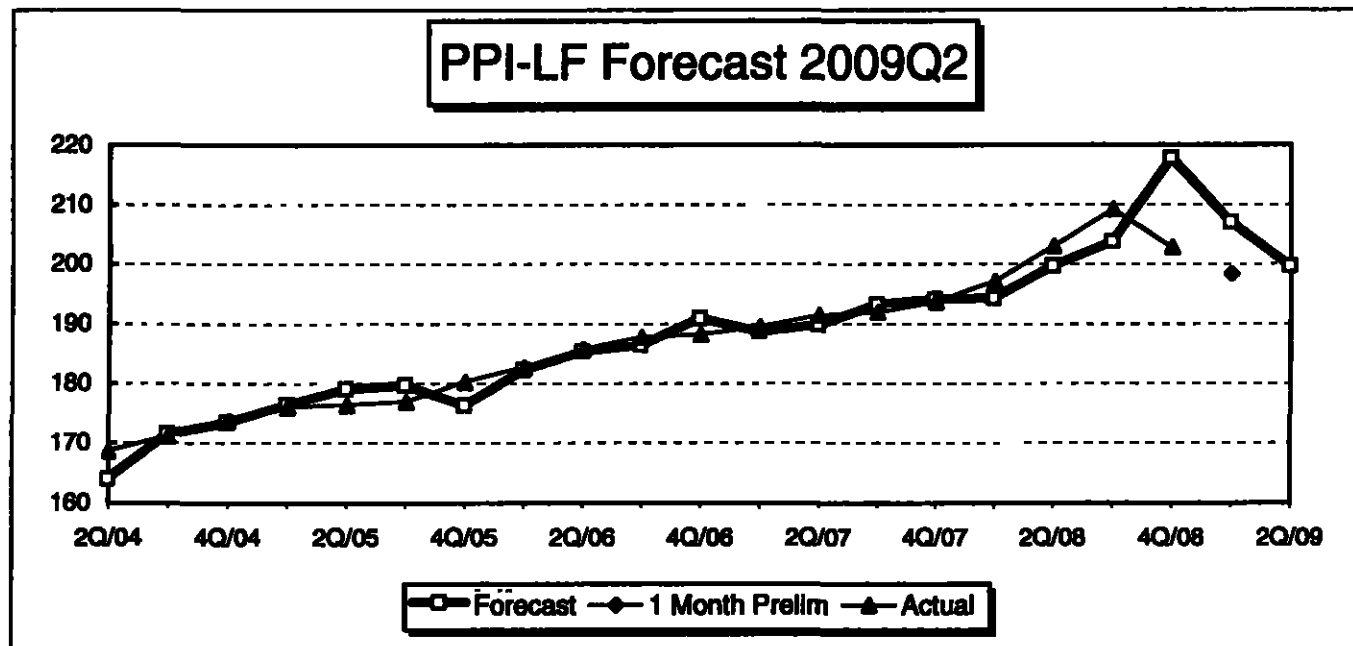
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PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
2Q/04	163.9	168.6	
3Q/04	171.4	171.1	
4Q/04	173.3	173.7	
1Q/05	176.3	176.0	
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2	191.9	
4Q/07	194.1	193.7	
1Q/08	194.3	197.1	
2Q/08	199.7	203.1	
3Q/08	203.8	209.2	
4Q/08	217.8	202.8	
1Q/09	207.0		198.3
2Q/09	199.7		

1980 Base

	PPI-LF Forecast		Yr Ago Actual	Percent Change		
	(82=100)	(80=100)		Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2009Q2						
Low	172.9	193.8	-4.6%			
Midpoint	178.1	199.7	-1.7%	0.7%	-1.5%	-3.5%
High	183.4	205.6	1.2%			



lf_ppi.txt

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2009q2\7Other\FPIf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 144.600 Maximum 186.600
Mean 162.626 Standard deviation 12.288

Classical decomposition (multiplicative)

Trend-cycle: 98.73% Seasonal: 0.18% Irregular: 1.09%

Log transform recommended for Box-Jenkins.

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Box-Jenkins outperforms exponential smoothing by 5.197 to 6.064 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and seasonal.

Recommended model: Box-Jenkins

Forecast Model for PPILF

ARIMA(1,1,0)*(1,1,0) with log transform

Term	Coefficient	Std. Error	t-Statistic	Significance
a[1]	0.7147	0.0944	7.5691	1.0000
A[12]	-0.7719	0.1250	-6.1744	1.0000

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 5.089	Standard deviation 0.07547
R-square 0.9979	Adjusted R-square 0.9978
Durbin-Watson 1.687	Ljung-Box(18)=15.75 P=0.3902
Forecast error 0.003501	BIC 0.594
MAPE 0.002316	RMSE 0.6067
MAD 0.3971	

Forecast Report

Thu Feb 19 14:52:09 2009

Box-Jenkins model for PPILF

Analysis of Historic Fit Set

Date	Historic
2003-02	144.700
2003-03	145.300
2003-04	144.800
2003-05	144.900
2003-06	144.800
2003-07	144.600
2003-08	144.800
2003-09	145.000
2003-10	145.900
2003-11	146.100
2003-12	146.300
2004-01	147.200
2004-02	148.200
2004-03	149.100
2004-04	150.000

lf_ppi.txt

2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400
2007-04	170.300
2007-05	170.800
2007-06	171.000
2007-07	171.400
2007-08	171.100
2007-09	171.200
2007-10	172.200
2007-11	173.100
2007-12	173.100
2008-01	174.700
2008-02	175.900
2008-03	177.400
2008-04	179.800
2008-05	181.800
2008-06	183.200
2008-07	185.900
2008-08	186.600
2008-09	186.200
2008-10	184.400
2008-11	180.700
2008-12	177.600
2009-01	176.900

Forecasted values

Date	2.5 Lower	Forecast	97.5 Upper
------	-----------	----------	------------

			lf_ppi.txt
2009-02	175.247	176.562	177.887
2009-03	174.275	176.880	179.523
2009-04	173.752	177.668	181.672
2009-05	172.991	178.175	183.513
2009-06	172.022	178.401	185.016
2009-07	171.619	179.143	186.997
2009-08	170.368	178.928	187.917
2009-09	169.300	178.830	188.896
2009-10	168.711	179.174	190.285
2009-11	167.710	179.020	191.093
2009-12	166.215	178.282	191.225
2010-01	166.464	179.367	193.271



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Data extracted on: February 20, 2009 (11:47 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	184.4(p)	180.7(p)	177.6(p)	181.2(p)
2009	176.9(p)												

p . Preliminary. All indexes are subject to revision four months after original publication

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FORECAST ERROR CALCULATION

	Fourth Quarter 2008		Diff
	2007	2008Q4	
Labor	Weight	Forecast	Actual
Fuel	32.8%	330.6	330.6
M&S	20.3%	423.6	319.4
Equip Rents	5.0%	252.2	252.2
Depreciation	7.2%	207.4	198.7
Interest	11.0%	204.8	203.1
Other	2.7%	88.0	88.0
Weighted Avg	21.0%	217.8	202.8
1980 = 100	100.0%		-15.0
1980 = 100 (linked)		292.6	267.5
4Q07 = 100	2.459	284.1	259.7
4Q02 = 100	1.921	115.5	105.6
4Q97 = 100	1.732	147.9	135.2
4Q92 = 100	1.569	164.0	149.9
		181.1	165.5

* actual=forecast
from 1st month of quarter

* actual=forecast
from Equipment Rents below

PPI-RE 188.40 182.00 180.50 0.9040

* actual=forecast

PPI-LF 184.40 180.70 177.60 0.8920

calculated
calculated

calculated
calculated
calculated

calculated

Forecast Error → -9.9

Re-calculated using new weights

calculated
calculated
calculated
calculated

Prior Quarter	
1980 = 100	296.4 ***
1980 = 100 (linked)	287.8
4Q07 = 100	117.0
4Q02 = 100	149.8
4Q97 = 100	166.2
4Q92 = 100	183.4

from UMLER equipment rents
calculated (equals PPI-LF from above)

calculated
calculated

Equipment Rents	
Car Hire	181.6
Lease Rentals	202.8
Weighted Average	193.6
Linked	198.7

Re-calculated using new weights

Prior Quarter	
Weighted Average	197.5 ***
Linked	202.7

Sum of Weights ok

Sum of ER Wt. ok

*** if fourth quarter, weighted avg for prior needs to use new weights, linked is ok

All-Inclusive Index (Actual)

	07 Wts	3Q/08 06 Wts	3Q/08 07 Wts	% Chg.	4Q/08 07 Wts	% Chg.	1Q/09 07 Wts	2Q/09 07 Wts	% Chg.	3Q/09 07 Wts	% Chg.
Labor	32.8%	317.2	317.2	0.0%	330.6	4.2%	NA	NA	NA	NA	NA
Fuel	20.3%	481.0	481.0	0.0%	319.4	-33.6%	NA	NA	NA	NA	NA
M&S	5.0%	228.3	228.3	0.0%	252.2	10.5%	NA	NA	NA	NA	NA
Equipment Rents	7.2%	202.7	202.7	0.0%	198.7	-2.0%	0.0	#DIV/0!	NA	#DIV/0!	NA
Depreciation	11.0%	202.8	202.8	0.0%	203.1	0.1%	NA	NA	NA	NA	NA
Interest	2.7%	90.2	90.2	0.0%	88.0	-2.4%	88.0	88.0	0.0%	88.0	0.0%
Other	21.0%	209.2	209.2	0.0%	202.8	-3.1%	NA	NA	NA	NA	NA
Weighted Avg.	1.0000										
Linked		295.2	296.4	0.4%	267.5	-9.8%	2.4	#DIV/0!	NA	#DIV/0!	NA
10/1/80		287.8			259.7	-9.8%	2.3	#DIV/0!	NA	#DIV/0!	NA
10/1/82		280.2			252.9	-9.7%	2.2	#DIV/0!	NA	#DIV/0!	NA
4Q/87		238.0			214.8	-9.7%	1.9	#DIV/0!	NA	#DIV/0!	NA
4Q/92		217.7			196.4	-9.8%	1.7	#DIV/0!	NA	#DIV/0!	NA
4Q/97		183.4			165.5	-9.8%	1.5	#DIV/0!	NA	#DIV/0!	NA
4Q/02		166.2			149.9	-9.8%	1.3	#DIV/0!	NA	#DIV/0!	NA
4Q/07		149.8			135.2	-9.7%	1.2	#DIV/0!	NA	#DIV/0!	NA
Equipment Rents		117.0			105.6	-9.7%	0.9	#DIV/0!	NA	#DIV/0!	NA
Car Hire	43.2%	182.2	182.2	0.0%	181.6	-0.3%	NA	NA	NA	NA	NA
Lease Rentals	56.8%	209.2	209.2	0.0%	202.8	-3.1%	0.0	0.0	NA	0.0	NA
ER Weighted Avg	1.0000	196.7	197.5	0.4%	193.6	-2.0%	0.0	0.0	NA	0.0	NA
ER Linked		202.7			198.7	-2.0%	0.0	#DIV/0!	NA	#DIV/0!	NA

Impact/Check of weight change	08 Wts	07 Wts
Labor	109.434	104.042
Fuel	92.352	97.643
Material & Supplies	11.415	11.415
Equipment Rents	15.811	14.594
Depreciation	21.497	22.308
Interest	2.435	2.435
Other	42.258	43.932
Weighted Avg.	295.202	296.369
ER Weighted Avg.	196.699	197.536

RCAF Fuel (Actual All-Inclusive Index)

October 2008

Average Price for Monthly Report

	October 200 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	October 2008 Index 1/1/81=100 (4)	$(4) = (1) / (2) \times (3)$
U.S.	261.36	89.34	99.415	290.83	
East	250.21	91.56	99.435	271.73	
West	265.76	87.83	99.416	300.82	

Fuel Index on 1977 Base and 1980 Base

	October 2008 Index 1/1/81=100 (1)	Linking Factors			October 2008 Index 1980=100 (5)	$(4) = (1) \times (2)$ $(5) = (1) \times (3)$
		1977=100 (2)	1980=100 (3)	1977=100 (4)		
U.S.	290.83	2.606	1.096	757.91	318.75	
East	271.73	2.569	1.134	698.08	308.14	
West	300.82	2.639	1.067	793.86	320.97	

Final Actual All-Inclusive Index

	1980=100 October 2008		October 2008 Linked Index
	Current Index	Adjustment Factor	
U.S.	318.75	1.00192	319.37 ←
East	308.14	1.00621	310.06
West	320.97	1.00024	321.05

January	= Q1
April	= Q2
July	= Q3
October	= Q4

Car Hire for RCAF

RCAF (Actual)							
		1980	Aug 3Q/08	Nov 4Q/08	Feb 1Q/09	May 2Q/09	Aug 3Q/09
RATE							
RR-OWNED TIME		31.00	67.00	67.00	--	--	--
RR-OWNED MILEAGE		4.69	7.20	7.20	--	--	--
PRIVATELY-OWNED CARS		25.47	45.78	45.57	--	--	--
AUTORACKS		47.00	51.86	53.62	--	--	--
INDEX							
RR-OWNED TIME		100.0	216.1	216.1	--	--	--
RR-OWNED MILEAGE		100.0	153.5	153.5	--	--	--
PRIVATELY-OWNED CARS		100.0	179.7	178.9	--	--	--
AUTORACKS		100.0	110.3	114.1	--	--	--
CAR HIRE INDEX (old wts)	2006	100.0	183.4	--	--	--	--
CAR HIRE INDEX (new wts)	2007	100.0	183.2	182.6	--	--	--
CAR HIRE INDEX (LINKED)		100.0	182.2	181.6	--	--	--

Note: Indexes are rounded, rates are full float

Equipment Rents Data From UMLER

	2008						2009							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No. of Cars	9,319	9,298	9,290	9,238	9,191	9,119								
Superstructures														
Rails														
Superstructures #3 - Auto Rack	19.0	19.0	19.0	19.0	19.0	19.0								
All other #1 - Time	67.0	67.0	67.0	67.0	67.0	67.0								
All other #2 - Mileage	7.2	7.2	7.2	7.2	7.2	7.2								
Privately Owned														
No. of Cars	49,751	49,742	49,703	49,802	49,846	49,904								
Superstructures	342,056	341,934	342,364	343,456	343,426	342,491								
Covered Hoppers	314,047	314,204	315,055	315,796	314,985	313,030								
Tank Cars	297,412	299,033	299,493	301,343	302,182	304,636								
Others														
Rails														
Superstructures #1 - Time	78.0	78.0	78.0	78.0	78.0	78.0								
Superstructures #2 - Mileage	0.8	0.8	0.8	0.8	1.0	1.0								
Superstructures #3 - Auto Rack	57.0	58.0	58.0	59.0	60.0	59.0								
Covered Hoppers #2 - Mileage	44.9	45.0	45.1	45.2	45.2	45.2								
Tank Cars #2 - Mileage	74.5	74.6	73.8	73.9	74.0	74.1								
Others #1 -Time	64.0	64.0	64.0	63.0	63.0	63.0								
Others #2 - Mileage	6.6	6.6	6.6	6.6	6.7	6.7								
AVERAGE RATES														
Private Superstructures	19.13	19.13	19.13	19.13	19.33	19.33								
Private Others	20.81	20.81	20.81	20.69	20.69	20.69								
Private Total	46.75	45.78	45.57	45.54	45.57	45.48								
Autotracks	51.01	51.88	51.88	52.74	53.62	52.82								

	"Old Wts" "New Wts"	
	2005	2007
For RCAF & RCR		
RR-owned Time	0.182	0.189
RR-owned Mileage	0.097	0.100
Privately-owned Cars	0.716	0.731
Autotracks	0.005	0.000
Check sum	1.000	1.000
Weights for Equipment Rents (not used in Car Hire calculation)		
	2006	2007
Car Hire - U.S.	0.463	0.432
Lease Rentals - U.S.	0.537	0.568
Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

CAR GROUP	CAR COUNT	TIME	CAR RENTAL RATES	AUTO RACK
			MILEAGE	
-VEHICULAR FLATS	9,191	130 ¢/HR	.082 \$/MILE	19 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	84			
-ALL OTHER CARS	653,854	67 ¢/HR	072 \$/MILE	
ONO OF ZERO RATED "OTHER" CARS 2/	37,416			
0	TOTAL			
	700,545			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES

CAR TYPE D - LOCOMOTIVES

CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

CAR TYPE U - CONTAINERS

CAR TYPE 2 - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

CAR GROUP	CAR COUNT	CAR RENTAL RATES		
		TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS	49,846	78 ¢/HR	.010 \$/MILE	60 ¢/HR
ONO. OF ZERO RATED VEH. FLATS 2/	101			
-COVERED HOPPERS	343,426	0 ¢/HR	.452 \$/MILE	
ONO. OF ZERO RATED COVERED HOPPERS 2/	11,125			
-TANKS	314,985	5 ¢/HR	740 \$/MILE	
ONO. OF ZERO RATED TANKS 2/	9,625			
-ALL OTHER CARS	302,182	63 ¢/HR	067 \$/MILE	
ONO. OF ZERO RATED "OTHER" CARS 2/	36,778			
0	TOTAL.		1,068,068	

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES
 CAR TYPE D - LOCOMOTIVES
 CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
 CAR TYPE U - CONTAINERS
 CAR TYPE Z - TRAILERS
 0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT
 -2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS
 WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2009 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		09Q1	09Q2	09Q3	09Q4
For Actual →		08Q3	08Q4	09Q1	09Q2
January	2008	178.4	178.4		
February	2008	178.2	178.2		
March	2008	177.6	177.6		
April	2008	178.7	178.7		
May	2008	178.0	178.0		
June	2008	181.2	181.2		
July	2008	184.7	180.8		
August	2008	182.4	181.7		
September	2008	182.8	182.9		
October	2008	188.4	188.4		
November	2008		182.0		
December	2008		180.5		
January	2009		180.7		
February	2009				
March	2009				
April	2009				
May	2009				
June	2009				
July	2009				
Actual Qtr.		183.3	183.6	NA	NA

1980=100

Actual Qtr.

First Mo. next qtr.

202.8	203.1	NA	NA
208.4	199.9	NA	NA

0.904 =1980



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PPI Commodity Data

Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	178.4	178.2	177.6	178.7	178.0	181.2	180.8	181.7	182.9	188.4(p)	182.0(p)	180.5(p)	180.7(p)
2009	180.7(p)												

p : Preliminary. All indexes are subject to revision four months after original publication.

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RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Forecast Year 2009 As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		09Q1	09Q2	09Q3	09Q4
For Actual →		08Q3	08Q4	09Q1	09Q2
January	2008	174.7	174.7		
February	2008	175.9	175.9		
March	2008	177.4	177.4		
April	2008	179.8	179.8		
May	2008	181.8	181.8		
June	2008	183.2	183.2		
July	2008	185.7	185.9		
August	2008	187.5	186.6		
September	2008	186.6	186.2		
October	2008	184.4	184.4		
November	2008		180.7		
December	2008		177.6		
January	2009		176.9		
February	2009				
March	2009				
April	2009				
May	2009				
June	2009				
July	2009				
Actual Qtr.		186.6	180.9	NA	NA

1980=100

Actual Qtr.

First Mo. next qtr.

209.2	202.8	NA	NA
206.7	198.3	NA	NA

0.892 =1980



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PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 198200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2008	174.7	175.9	177.4	179.8	181.8	183.2	185.9	186.6	186.2	184.4(p)	180.7(p)	177.6(p)	181.2(p)
2009	176.9(p)												

p : Preliminary. All indexes are subject to revision four months after original publication

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